Yes, Yes... Rolex is the best

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CONSOLIDATED ASSETS EXCEED 75 MILLION POUNDS
24 BRANCHES THROUGHOUT THE COUNTRY
Tel Aviv
THE PALESTINE DISCOUNT BANK LTD

Marginal Column

By ERIC LAQUEUR

IT may sound frivolous, but I find it increasingly difficult to take the present hullabaloo in the Arab capitals for and against a defence pact with Turkey (and thus with the West) in real earnest. Mr. Menderes, of course, was serious when he said that whatever security the Middle East enjoyed at present was solely due to the establishment of NATO and that it was an illusion to imagine that any regional defence organization, however perfect and complete, was in itself enough without close cooperation with NATO, the real shield against danger. The Americans, too, are in earnest in their attempt to organize as far as possible what are called in Washington the "grey" areas of the world. Their basic assumption is that the unattached countries will be picked up one by one by the Soviet Union in Phase Two of the atomic age, when Russian strength will equal American, and Moscow will pass to the offensive from the present line of peaceful coexistence. This it is thought in Washington will happen in 1956, or in a few years from now at most.

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THIS analysis of the present situation and the dangers of the near future may be accurate enough, but, as so often before, it disregards the fact that the situation in the Arab countries differs radically from that in the NATO countries. In Western Europe or in Turkey, there is common ground between the vast majority of the peoples and the Governments that their independence has to be defended against aggression. There is no such readiness among the Arab nations and we may be forgiven for once for not elaborating on the reasons for their different behaviour: they have been stated many times, and it is becoming somewhat tedious to repeat them over and over again.

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IT is, of course, no pure coincidence that Iraq was the one Arab country to reach an agreement with Turkey to prevent any aggression against the two countries "from inside and outside." Iraq is, of course, the most exposed of all the Arab countries. But this pact, and even more so any further agreement which may be reached, will come under fire from various and powerful quarters: above all, from the Egyptians (and the Saudians), who are afraid that their predominance in the Arab League will be broken. And then there are the extremists in the Arab countries, the "Israel Firsters," who maintain that there is one and only one danger to the Arab states, namely, Israel, and that any other menace is purely imaginary or simply cold war propaganda. Then there are the Communists, of course, who argue quite correctly from their point of view that it should be comparatively easy in future to swallow the Middle Eastern countries one by one by peaceful means if these remain isolated. But if they unite, or at least collaborate in their defence schemes, any future Communist advance in the Middle East would become much harder and might even cause a war — just as no further advance in Europe has been possible (short of war) since the establishment of NATO.

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THE forces opposing a defence scheme in the Arab countries are, however, far stronger. It is doubtful whether the Iraqi Government will be able to weather the storm in view of its fully deserved unpopularity. Any agreement with Syria is quite unlikely. A "Black Saturday" Coalition is rapidly approaching power in Damascus and it has no use at all for the West: generally speaking, the country is on the brink of anarchy. The Lebanese Government is as weak as the Syrian: it has to follow the man in the street, and cannot give a lead. Jordan may be inclined to enter into closer ties with Ankara but she cannot go it alone, dependent as she is on Egypt and Syria. The Egyptian junta labours under the delusion that their country may yet become a world power *via* the Arab League, and they oppose any and all schemes not headed by them. In these conditions, Western attempts to "organize" the Arab states reminds one of Sisyphus, King of Corinth, condemned to roll the stone to the top of the hill. Whenever some progress appears to have been made, some government will come tumbling down, some coup *d'etat* or revolt will break out. Or, to mix classical metaphors, all the diplomatic texture finely spun by day will be unravelled by night, like Penelope's.

Jerusalem, January 18.

USSR to Give Atomic Aid To Five Countries

MOSCOW, Monday. — The Soviet Union today announced an extensive programme of atomic aid in peaceful fields to five Communist nations, including China. The other four are East Germany, Poland, Czechoslovakia, and Rumania.

A decision of the Council of Ministers, announced to correspondents at a press conference, stated that these nations would receive fissionable material and assistance in nuclear research.

The announcement said that the Soviet Union will receive atomic raw materials from these nations. Russia will also consider the question of extending the number of countries to which she will give aid in the nuclear field, it added.

The decision followed the Soviet offer made three days ago to report to the U.N. Atomic Energy Commission on experience gained in running an atomic power station.

In New York today scientists of seven nations met to arrange an international conference next summer on the peaceful uses of atomic energy. The U.N. Secretary-General, Mr. Dag Hammarskjold, told them that atomic energy was a property of nature itself and "as such belongs to all peoples."

Mr. Hammarskjold, who presided today and made his opening speech in public, said that the historical significance of President Eisenhower's "Atoms for Peace" resolution could "hardly be overestimated." The conference, he added, "should be primarily concerned with the practical application of atomic energy for power and other purposes. It should be so planned and conducted that the exchange of information that takes place may lead to concrete results and further fruitful international cooperation for these ends."

The countries represented at the conference were Brazil, Britain, Canada, France, India, Russia, and the U.S.

(UP, Reuter)

US MAY DROP TESTS

WASHINGTON, Monday (UP). — The U.S. has decided not to stage any hydrogen bomb tests this year, according to informed sources here. These sources said that if this belief, now current, is true, it reverses former unofficial reports last year that new super-bomb designs would be tested at the Pacific proving grounds in the autumn of 1955.

It is now being said that the only tests for 1955 are the atomic experiments scheduled at the Nevada proving ground — small-scale in comparison with the hydrogen explosions touched off in the Marshall Islands last spring.

Bonn Rejects French Arms Pool Proposal

PARIS, Monday. — West Germany objected tonight to the French plan for a European arms production pool which would place further restriction on her economy and future arms production. But the Bonn Government intimated that it was ready to accept those sections of the plan calling for inter-governmental cooperation.

The German stand was made known at a seven-nation conference here of the Western European Union preparing replies to the French proposal for the setting up of the European arms pool, which was officially presented today by France to the study conference on coordinating armament production.

Germany made her position clear in a memorandum circulated by Bonn's Economics Minister, Ludwig Erhard, to the other W.E.U. partners, France, Italy, Britain, Belgium, Holland and Luxembourg. The main gist was that Bonn is against a supra-national organization at this time, and cannot agree to more restrictions on their rearmament plans and on their soaring economy.

The Germans said they are willing to accept a broad measure of arms standardization in consultation with NATO, to exchange information about weapons production programmes between the W.E.U. partners, and to join united efforts to lower rearmament costs.

The French memorandum presented to the opening session of the conference proposed the establishment during a two-year transition phase of two committees, one on arms production and the other on standardization of weapons. (UP, Reuter)

25 Dead as Storms Sweep W. Europe

LONDON, Monday. — Twenty-five persons have died since Saturday in storms which swept Western Europe. Air forces both in Britain and the Continent are standing by for rescue and evacuation operations in the face of threatening floods.

Rising river levels in Britain, France, Switzerland, Germany and Austria kept thousands of police, firemen and volunteers on the alert. A freak smog blotted out the sun and blacked out London yesterday afternoon. New blizzards swept Europe in the wake of rains and snows.

The Rhine has risen more than a metre and has splashed its banks at many points in Bonn. It was said that the river would rise another metre within a day. The Seine continued to mount dangerously in Paris.

More than a dozen ships were in distress today in the North Sea. Five sailors are feared drowned in a motor vessel which sank in the Rhine.

Rebel Chief Reported Killed in Costa Rica

SAN JOSE, Monday. — Rebel radio broadcasts heard here today reported the death apparently in combat—of Teodoro Picado, jr., leader of the Costa Rican rebellion. Picado was the son of former Costa Rican President Teodoro Picado, who was ousted following a rebellion which brought to power the present national leader, President Jose Figueres.

A radio station in Managua, Nicaragua, where the elder Picado lives in exile, was heard broadcasting arrangements for a memorial meeting to mourn the death of the rebel leader. The Government here, however, was unable to confirm his death.

President Figueres returned here today from a three-day inspection tour of the front and expressed "profound satisfaction" with the high morale of government troops. He had witnessed the fighting at Santa Rosa and was under air attack in Liberia, 250 kms. north of here.

Pres. Figueres

The night and this morning passed with little new activity along the front.

2 Planes Interned

Meanwhile, Nicaragua reported that it had seized and interned two small planes of the Costa Rican rebel forces which had landed 35 kms. inside the Nicaraguan border. The pilots were also interned.

Four American World War II fighters were delivered to Costa Rica today. Front-line despatches said that the three-plane rebel air force which had ruled the air for a week, had promptly disappeared from its airfield near the Nicaraguan border.

The American planes were sold to Costa Rica for the nominal price of $1 each at the request of the Organization of American States. They were transferred to Costa Rican pilots this afternoon. *(UP, Reuter)*

Largest Air Force in History Main Item of $62,408m. US Budget

WASHINGTON, Monday (UP). — President Eisenhower sent Congress today a new budget totalling $62,408m. in which the main expense will be the largest Airforce in the nation's history. The budget is for the 1956 fiscal year which starts next July 1. It calls for $1,098m. less expenditure than the current budget, but it would still cause a net deficit of $2,408m.

Sixty-five per cent of the projected total spending, or $40,458m. earmarked for defence including the armed forces, Atomic energy development and foreign aid. Interest on the national debt and fixed charges, such as grants to States, account for 24 per cent and the remaining 11 per cent is devoted to agriculture, social services and the development of national resources.

The President called for expenditure of $4,790m. to help "friendly nations" strengthen their economies and defence. This is an increase of $400m. over estimated foreign aid spending in the present fiscal year.

The rise was accounted for by a planned increase of $450m. in military aid spending to a 1956 estimate of $3,675m. Expenditure for economic and technical aid to America's allies was put at $1,025m., $50m. less than in the current year.

However, the President indicated to Congress that the Administration envisions more emphasis on economic assistance after 1956.

Israel Included

President Eisenhower called on Congress to approve the continuation of foreign aid, and specified Israel among the countries for which he will request funds in the next fiscal year.

With regard to the Middle East and Africa, he said that he would request funds to continue assistance to promote economic development and political stability. Such aid was given, he added, to Israel, Iraq, the Lebanon, Jordan, Egypt and Libya.

He said he would soon ask for a new Foreign Aid appropriation of $3,850m., most of which will be spent after 1956. Of the new money to be asked, $2,080m. will be for military aid and $1,500m. for non-military help. Thus economic aid projects will be assigned more than 40 per cent of new aid money as compared to less than 30 per cent in 1955 appropriations.

President Eisenhower said that direct forces support would be provided for only a few countries, mostly in Asia.

The mutual military assistance programme will help America's allies to complete equipping and training the equivalent of more than 120 divisions, 551 warships, 275 air squadrons and related supporting units.

Expenditure on the development and control of Atomic energy was estimated at $2,000m., $60m. less than in 1954-55.

The President said "We shall continue unabated our efforts to ensure that this great force will be used for the well-being of all mankind. Until such assurance can be achieved, however, we have no alternative but to strengthen further our most effective deterrent to armed aggression — the power of our nuclear weapons stockpile."

Emphasis in the new budget is placed on the replacement of planes, guns and ships and the development of new, particularly Atomic, weapons. In previous years, the emphasis has been on providing basic arms for building up the forces of the U.S. and its allies, sharply reduced after the Second World War. *(UP, Reuter)*

Menderes Urges Study of Plan

The Arabs should realise by now that it is pointless to bring up the subject of the Arab Collective Security Pact, which they themselves must know is "completely insufficient" for the purposes of Middle East security, the Turkish Prime Minister, Mr. Adnan Menderes, told the Lebanese Premier, Sami e-Solh, in Beirut yesterday.

On the eve of his departure for Ankara, Mr. Menderes urged the Arab states to abstain from premature and harsh criticism of the proposed Turco-Iraqi defence alliance before studying its details.

The Turkish mission yesterday conferred with Lebanese officials headed by Solh in a three-hour session.

The Foreign Ministers of Turkey and the Lebanon and the Ambassadors of Egypt, Saudi Arabia and Iraq also attended the talks. Well-informed sources said that the meeting was held so that Turkey could assure the other countries of her "good intentions" and to explain the terms of the proposed pact.

A communique tonight said that the Prime Ministers of Turkey and the Lebanon had reached agreement in principle on an economic agreement. Final details will be discussed in Ankara on February 16. The two leaders will continue their talks tomorrow, when a joint communique will be issued.

From Baghdad, it was reported that the Iraqi Government has started contacting other Arab states with the view to persuading them to join the new alliance. Premier Nuri e-Said, on Sunday night, saw the Egyptian Ambassador and explained details of the agreement. These new contacts, it is believed, aim at bringing about a partial *fait accompli*, with at least two other Arab states to join the pact before the Arab League meeting in Cairo on Saturday.

In Cairo, the Iraqi Ambassador, Najib el Rawi, yesterday hastened to present Foreign Minister Mahmoud Fawzi with further details on the projected pact. He assured Fawzi that the agreement runs counter neither to the Arab League Charter nor the Arab Collective Security Pact.

Dr. Fawzi meanwhile, met yesterday with the British Ambassador, Sir Ralph Stevenson, and the U.S. Charge d'Affaires, Mr. G. Lewis Jones. He told them of Egypt's opposition to the new defence pact, and said that his Government's attitude did not represent opposition to the West.

Thus far, only Syria and the Lebanon have signified their intention to attend the meeting. It was reported that the Beirut authorities had told Mr. Menderes that they would communicate their views on the pact only after the conference.

Varying reports said that the Iraqi Premier is indisposed and will not attend the Cairo conference, and that he is so busy in connection with budget problems that he cannot find the time to attend the proposed meeting.

Damascus reports stated that at Saturday's stormy five-hour parliamentary session, the Foreign Minister, Faidi Attasi, threatened to resign if opposition deputies did not cease to criticize the Government's invitation to th. Menderes mission to a conference. It was also reported that the toll of injured in the anti-Turkish student demonstrations last Saturday rose to 23, including 10 policemen. Ninety students described as "pro-Communist" were detained.

Meanwhile, the Chiefs of Staff of the Arab armies gathered in Cairo yesterday for a Defence Council session. They adjourned after a brief meeting and will resume talks daily. The conference will end on Thursday. (NEABS, ANA, UP, Reuter)

TURCO-IRAQI PACT WELCOME, EDEN SAYS

LONDON, Monday (Reuter). — Foreign Secretary Sir Anthony Eden in a broadcast tonight welcomed the proposed Turco-Iraqi defence pact and said that its extension to other nations would "certainly create increased stability and security throughout the Middle East."

Hapoel Hamizrahi, Mizrahi Form Single Party

Jerusalem Post Reporter

TEL AVIV, Monday. — Hapoel Hamizrahi and Mizrahi are to become one party. The merger was approved tonight by the Central Committee of Hapoel Hamizrahi by 93 to 43, with 10 abstentions. The members of the Lamifneh faction, which has opposed a merger, were permitted to vote as they wished.

Mizrahi approved the union some months ago.

Hapoel Hamizrahi will continue to exist as the trade union movement of Orthodox Zionists. Its relationship to the united party will be similar to that of Ha'Oved Ha'Zioni to the Progressive Party.

The united party will be known in Israel as Hapoel Hamizrahi-Mizrahi, and in America as Mizrahi-Hapoel Hamizrahi.

The heated discussion before the vote yesterday lasted for eight hours — from 2 to 10 p.m. Mr. Moshe Shapiro, Minister for Religious Affairs, called the merger a history-making achievement in uniting religious Jewry.

Tito, U Nu Reiterate Need for Coexistence

RANGOON, Monday. — Prime Minister U Nu and the Yugoslav President, Marshal Tito, declared today that peace under existing conditions can only be based on the principle of coexistence.

The communique said that measures had been discussed to improve and strengthen economic relations between the two countries, and that agreement in principle had been reached.

At a press conference, the Yugoslav Foreign Minister, General Koca Popovic, stated that there was no possibility of his country rejoining the Comintern. He was convinced that no attack was threatened against Yugoslavia by any country.

Earlier today, it was announced that Yugoslavia will provide equipment for one brigade of the Burmese Army as a token of goodwill and esteem. Burma had accepted the gift "with deep feelings of gratitude" and was making a gift of rice in return.

President Tito, who has been in Burma since January 6, left Rangoon today. He will revisit India — where he recently stayed for 18 days on a state visit — before returning to Yugoslavia.

Dulles Backs Ike's Liberal Trade Policy

WASHINGTON, Monday (Reuter). — Secretary of State Dulles said today that "grave consequences" would follow if Congress failed to enact President Eisenhower's new liberalized trade programme with its emphasis on tariff reductions.

Mr. Dulles was testifying in support of a Bill known as the Cooper Bill, embodying the President's tariff-cutting recommendations, before the House Ways and Means Committee. It would extend the tariff-cutting Reciprocal Trade Act for three years and give Mr. Eisenhower new powers to reduce tariff rates.

He said that he fully agreed with the President's statement last year that "if we fail in our policy we may fail in all." The foreign policy of the U.S. was to enable Americans to enjoy in peace the blessings of liberty, but that result could not be achieved without cooperative trade relations, he pointed out.

Mr. Dulles said it would be folly for the U.S. to be indifferent to world trade, but that folly had not been committed.

G.Z. Tonight to Hear Report on Eshkol Talks

The General Zionist faction in the Knesset will meet tonight to hear a report on the meetings with the Finance Minister during the week. Following Sunday night's meeting at Mr. Israel Rokach's home in Jerusalem, the matter of income tax was referred to a committee of two composed of Mr. Zalman Sussayeff and Mr. Ze'ev Sharef, who met yesterday at the King David hotel in Jerusalem.

It is understood that no agreement was reached on changing the tax brackets.

Syria Cannot Evade Blame For Ilan's Suicide—Sharett

Syria Orders Trial Of 4 Israel Soldiers

Syria plans to try the four Israel soldiers, now under detention, before a Syrian Court, Lt.-Colonel Bahari Kutrash, Senior Syrian Delegate to the Israel-Syrian Mixed Armistice Commission, stated at a meeting yesterday with the M.A.C. Chairman, Colonel Castanguay, and the Israeli delegate to the M.A.C., the Army spokesman announced. Colonel Kutrash added that the Syrian Court would decide if punishment is permitted in this case according to the Geneva Convention.

The Israel delegate demanded from the Chairman that the soldiers be released according to the M.A.C. decision of January 12. He further asked that an emergency meeting be held to deal with the Israel complaint (submitted on Friday) that the prisoners were not being treated according to Geneva Convention rules, treatment which had been authorized by the M.A.C. decision of January 12.

Colonel Castanguay stated in answer to Israel's request for an emergency meeting that an investigation of the complaint has not yet been held because of Syrian objections. The Chairman also stated that he was waiting for instructions from the Truce Supervision Organization Chief, General E.L.M. Burns, before calling an emergency meeting to discuss Israel's complaint.

Colonel Castanguay further informed the meeting that a U.N. Observer had visited the detained soldiers as a group in a Damascus prison yesterday. The soldiers have not yet been informed of the M.A.C. decision to release them at an early date and to ensure prisoner-of-war conditions for them.

Our Military Correspondent reports that the four prisoners still do not know of the fate which befell their comrade, Uri Ilan. Food parcels and letters have been sent to the men through the T.S.O.

Syrian Troops Fire At Tractors, Shepherd

Automatic fire and rifle sniping were directed by a unit of Syrian soldiers at Israel tractor drivers working 300 metres from the Syrian frontier at noon yesterday. Tel Aviv police sources reported to Itim. The incident, in which there were no casualties, occurred near Tel Uzzyat.

Automatic fire was opened from a Syrian position across the Armistice lines at a shepherd from the She'ar-Yashuv settlement in Northern Galilee while he was tending his flocks on the settlement's fields yesterday afternoon, the Army spokesman announced. The shepherd was uninjured.

Infiltrator Takes Wash From Ramat Rahel

An infiltrator from Jordan who entered Kibbutz Ramat Rahel, south of Jerusalem, on Sunday night and stole the settlement's washing, was forced to flee, abandoning part of it.

Settlement guards noticed someone leaving the kibbutz carrying a large bundle. They gave chase, but the thief succeeded in escaping. His tracks led to the Jordan border.

MAC Rules on Jordan Complaint Over Sheep

The Israel-Jordan Mixed Armistice Commission, meeting in emergency session yesterday, adopted a Jordan resolution finding that an Israel security patrol had crossed into Jordan on the evening of January 7 and had looted 72 head of sheep.

The M.A.C. decided that this act constituted a breach of Article 3, Paragraph 2 of the General Armistice Agreement and called upon the Israel authorities to take measures with a view to preventing such a violation of the Agreement.

An amendment submitted by the Israel delegation, noting that the Israel authorities had returned to the Jordan authorities on January 10, the flock of sheep and goats in their possession, was adopted unanimously.

Two paragraphs of the resolution, finding that the patrol had kidnapped two Jordan citizens who had come to the rescue of the shepherds, and calling upon the Israel authorities to repatriate the two men immediately and return the remainder of the looted sheep, were not adopted when the Chairman abstained.

The Chairman stated that, while he did not deny that the two Jordan citizens had gone to the rescue of the shepherds, there was insufficient evidence to show their exact location at the time they were apprehended by or met with the Israel patrol.

INFANT DROWNED IN OLD TANK

RAMLE, Monday. — Unnoticed by passers-by, a two-year-old child, Ramya Sala, fell into a disused water tank in the Nahalat Yehuda ma'abara near here yesterday, and drowned. The child is believed to have gone over to the tank for a drink, and it was some time before the tragedy was discovered.

The body was taken for examination to the Tel Hashomer Hospital. Police have opened an inquiry into the affair.

House Rejects Herut Motion

Jerusalem Post Knesset Reporter

Herut found no support among other parties for their motion of non-confidence in the Government, raised in the Knesset yesterday, and the motion was defeated by 66 Coalition votes to seven, with 12 abstentions on the left wing.

Mr. M. Sharett, the Prime Minister, replying to the charge that the "total surrender" of the Government to Egyptian and Syrian aggression had been responsible for the death of Uri Ilan, rejected outright the accusation that any man in the service of the State had been "abandoned."

On the contrary, Israel had succeeded in establishing the right of the men in Syrian hands to be treated as prisoners of war in accordance with the Geneva Convention.

Referring to the various proposals made by Herut for retaliatory captures of a ship, etc., he said that Israel would have to decide whether it was to be a state of law or of anarchy — whether her policy would be guided by sanity and foresight or by giving free rein to wild instincts.

The motion presented by Mr. H. Landau had charged the Government with "total surrender in the political security field" during the past months, and claimed that but for the Government's conciliatory attitude towards the Egyptian and Syrian aggressors, Uri Ilan (the Israel soldier who hanged himself in a Syrian prison) would not have died.

Why had the Government not been willing to intervene actively when the Bat Galim was captured? Why had it not demanded an immediate meeting of the Mixed Armistice Commission when the five soldiers were taken prisoner by the Syrians? Why had it hurried to release the Syrian plane? Why had it agreed to the search of the convoy on its way to Mount Scopus? "You are a government of catastrophe. A government that cannot protect the lives of its soldiers and the honour of its citizens must go."

Mr. Sharett, who appeared tense and angry, said he would not at this point examine the reasons why this motion had been tabled, the degree of their integrity, or the usefulness of the motion itself. Speaking very deliberately, he added:

I will not attempt to evaluate to what extent a free and public discussion of this question can be helpful at this moment, at which every Knesset member without exception is at liberty to say what he will. I for my part cannot divest myself of the serious restrictions on my freedom of speech that are imposed on me as an official representative of the Government.

He said that he would first of all invite every member of the Knesset to judge candidly for himself whether there had or had not been a relative improvement in security during the past weeks and months, whatever the reasons for this might have been.

And I will also rely on the careful judgment of each member, — for himself and before his conscience — to consider whether there is any connection between security on the borders and between such happenings as the detention of the Bat Galim and the show trial in Cairo.

"I reject most emphatically the empty accusation that our men have been abandoned," he continued. It was true that men's lives had been endangered, but a soldier faced danger every time he set out on a routine patrol on the border.

In our political and security circumstances we cannot watch and defend our borders and the security of the nation without facing danger. I agree entirely with the words of the Chief of Staff at the funeral of Uri Ilan, that the Army enlists in order to safeguard the life of the nation, but it cannot do this without endangering its own lives.

You cannot protect the entire people unless individuals, and sometimes many individuals, are willing to face danger. To suggest that there is some method by which all danger can be eliminated from the

(Continued on P. 3 Col. 6)

Johnston Voices Guarded Optimism

WASHINGTON, Monday (UP). — After conferring with President Eisenhower today, Mr. Eric Johnston, special envoy to the Middle East, said that he will leave on January 23 in a mood of "restrained optimism" over his chances of securing an agreement on regional development and use of the Jordan River basin waters.

He spent 45 minutes with the President discussing the $121m. project and receiving latest instructions on the mission which has already taken him twice to the Middle East. The project envisages bringing one million dunams of land under cultivation, generating 120,000 k.w. of hydro-electric power, starting resettlement of the Arab refugees and providing an economic basis for lessening Arab-Israel antagonisms.

Another Trip Possible

Mr. Johnston told reporters that he would do his best to get an agreement on this trip, and pointed out that there was reason for some hope even though it was "a tough deal." He left the impression that he would consider making still another journey to the Middle East if he did not get an agreement this time.

The envoy's first stop will be Tel Aviv, where he will commence conferring with Israel officials on January 26. After a week in Israel, he will proceed to Cairo and from there visit the capitals of Jordan, the Lebanon and Syria.

Mr. Johnston described four stumbling blocks in the way of an accord: how much of the available water is to go to Israel and how much to the Arabs; where the main storage reservoir is to be located; what neutral authority is to be charged with seeing that the water is distributed according to plan, and whether the water can be used for irrigation only or for other purposes also.

Burns Takes First Step In Bat Galim Affair

Gen. E.L.M. Burns, Chief of Staff of the Truce Supervision Organization, will meet with Sgan-Aluf Arye Shalev today in the first step towards compliance with the U.N. Security Council President's suggestion that the Bat Galim issue might be settled through the Israel-Egyptian Mixed Armistice Commission.

This was revealed yesterday by a U.N. spokesman following the return of Gen. Burns from a three-day private trip to Egypt.

Gen. Burns will also see an Egyptian representative, but such a meeting has not yet been arranged, the spokesman added.

The Bat Galim case, it was pointed out, is not the top item on the General's agenda, that place going to the incident in connection with the suicide of Private Uri Ilan in a Damascus prison last week.

It will be recalled that the Bat Galim affair was debated in the Security Council last Wednesday, and that no conclusion was reached apart from the suggested settlement of the incident through the MAC.

Trujillo Thanked for Stand On Cairo Show Trial

QUITO, Ecuador, Monday (INA). — A delegation of Equadorean Jews today visited Dr. Jose Vicente Trujillo, the delegate to the U.N., to thank him for his recent intervention with the Egyptian U.N. delegate on behalf of the 10 Jews who were tried in Cairo on charges of espionage for Israel.

Dr. Trujillo, who undertook the approach in the name of all the Latin American delegates without official instructions from his Government, told the Jewish delegation that he was happy to intervene in the cause of justice.

In Santiago de Chile, a delegation of Chilean Jews visited the Ecuadorean Ambassador, Dr. Rafael Arizaga Vega, today to express gratitude for Dr. Trujillo's mediation.

Histadrut Elections

In Tel Aviv, Haifa, Jerusalem, Ramat Gan and Petah Tikva the election zone to which a member belongs will be determined on the basis of the address at which he lives.

Representatives of the Membership Bureau will call at the various places of work in order to establish the exact address of members.

All members applying directly to the Membership Bureau are asked to check that the address registered in the office's files is correct.

All members of the Histadrut and of workers-management committees are asked to assist the men engaged in this task.

An inexact address may make it difficult for a member to take part in the elections to the Histadrut Conference.

CENTRAL MEMBERSHIP BUREAU
(Advt.)

SAMPLES of hot TELMA PEA SOUP will be distributed in the following grocery in Haifa:

KURT LOEB, 51 Reh. Herzl

January 19 and 20, 1955
Hours: 10.30 a.m. 1 p.m.
4.30-7 p.m.

TO
WINNIPEG
One of 70 cities on the SAS route
Fly SAS

Social & Personal

President Ben-Zvi received the Minister of Health, Mr. Joseph Serlin, yesterday. On Sunday, Mr. Ben-Zvi was presented with the first copy of the "History of the Haganah" by two of the editors, Mr. Yehuda Slutzky and Sgan-Aluf Eliezer Galili. Present at the ceremony were Professor Benzion Dinur, Minister of Education and Culture, and members of the book's editorial staff.

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The Prime Minister and Mrs. Sharett yesterday entertained to luncheon the Italian Minister, Benedetto Capomazza, marchese di Campolattaro; the Brazilian Minister and Mrs. Nelson Tabajara; the Chilean Charge d'Affaires and Mrs. Eduardo Cristi; Mr. Ercole Graziade; Mr. and Mrs. Isidoro Dimant; the Minister to Brazil and Mrs. David Shaltiel; Dr. and Mrs. Michael Simon; Miss Y. Bergmann; Dr. and Mrs. Yoel Bar-Romi, and Mrs. B. Yannay.

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Mr. and Mrs. Dwight Rugh gave an informal account of their 21 years in China with Yale-in-China, at a meeting last night of the Yale Club of Israel at Beit Shalom in Jerusalem. Mr. Rugh is now here as Assistant Director for Technical Assistance of the U.S. Operations Mission to Israel.

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Mesdames Lois Heginbotham, Doris Kirkendale, Vera Lindner, Winifred Rugh and Sue Whitman (who are connected with the U.S.O.M.) toured Hadassah institutions in Jerusalem yesterday. They were entertained to lunch at the Alice Seligsberg Vocational High School restaurant by Mrs. Esther B. Grunwald, Chairman of the Hadassah Clubs for Overseas Visitors.

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DEPARTURES: Dr. Sidney Kark, Professor of Family Health at the University of Durban, returning to South Africa after a six week stay as the guest of the Hadassah Medical Organization and the Ministry of Health; Mr. N. Levin, member of the Herut Party Executive, to attend the Revisionist World Conference opening in Johannesburg next month; and Mr. Reuven Varga, violinist, after giving nine concerts here (El Al).

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The Noar Haoved Organization on Sunday elected Mr. Yitzhak Nishri, of Kibbutz Eres, as Secretary-General.

•

A memorial exhibition of the architectural work and drawings of Leopold Krakauer will be opened by Professor Martin Buber at the Bezalel National Museum, Jerusalem, at 5.30 tomorrow evening.

•

The play, "Le Triomphe de la Medecine," by Jules Romains, will be read (in French) at the Israel Touring Club, Talbieh, Jerusalem, at 8.30 this evening. Tourists are especially invited.

JEC Bids Farewell To Biran

A reception was held last night at the Jerusalem Economic Corporation's office in Makor Baruch, to bid farewell to Dr. A. Biran, the Jerusalem District Representative, a member of the Corporation's Board of Directors, who is taking up a new appointment as Consul-General in Los Angeles.

Mr. Y. Kariv, the Mayor of Jerusalem, and Mr. M. Shattner, the Managing Director of the Corporation, paid tribute to Dr. Biran's service during the ups and downs which the capital has seen in the past few years, and wished him success in his mission. Messages were read from Dr. A. Granott, Chairman of the Board of Directors; Mr. Z. Sharef, the Government Secretary; Dr. S. Moses, the State Comptroller; the Jewish Agency, and others.

An exhibition of goods manufactured in Jerusalem, ranging from radiators to musical boxes, was on show. The display has been presented to Dr. Biran by the manufacturers to be exhibited in the Consulate-General in Los Angeles.

ON THE AIR

FIRST PROGRAMME
202, 249, 33.3 & 42.9 M.

NEWS: Hebrew: 7 a.m., 1.30, 6.00, 8.15, 1.30 and 11.00 p.m. Arabic Programme (including News): 8 a.m., 2.15 & 6.30 p.m.

6.30 a.m. Service. 6.35 Exercise. 6.45 Musical Clock (R). 7.15 Melodies (R). 8.00 Close Down.

12.00 N. Music at Noon. 12.30 Housewives' Corner. 12.50 Light Music (R). 1.50 Break for Music (R). 2.30 Close Down.

4.00 p.m. Programme for Hospitals. 4.30 Light Music (R). 4.45 Dance Programme. 5.05 Agricultural Programme. 5.15 Language Corner. 5.30 Children's Hour. 7.00 Haifa Programme. 7.25 Sports. 7.40 Noah's Ark. 8.00 Bible Reading. 8.30 Newsreel 9.05 Kol Yisrael Orchestra & Kol Zion Vocal Ensemble. Conductor: Heinz Freudenthal. Soloist: Orah Rotem: Concerto Grosso No. 1 (Corelli); Piano Concerto No. 1 (Bartok); Symphony No. 4 "Tragic" (Schubert). 10.35 Requests. 11.00 Close Down.

SECOND PROGRAMME
491, 468, 367, 316, 49.5 & 31.5 M.

English News: 1.45 p.m., 10.15 p.m. French News: 3.00 p.m.

IMMIGRANTS' HOUR: 6.35 p.m. Programmes for Yemenites, 6.50 French, 7.50 Latino, 7.30 Yiddish 8.00 Close Down. 9.05 Rumanian 9.50 Hungarian. 9.35 Close Down.

KOL ZION LAGOLA (32.3 M.): 11.15 p.m. News. 11.25 "This Also Happened." 11.45 Easy Hebrew Conversation.

ARMY PROGRAMME (44.5, 316, 220 & 225 M.): 4.30 Opening. 4.35 "Bow & Arrow." 7.00 Light Music. 7.30 "Corps to Corps." 7.45 Noah's Ark. 8.00 News. 8.05 Louis Armstrong Feature. 9.15 Dance Music. 10.00 Close Down.

B.B.C. HEBREW BROADCASTS: (24.96, 24.92, 41.32 & 31.32 M.): 6.30 p.m. News. "This England."

LAW REPORT

The Jerusalem Post January 18, 1955

In the Supreme Court Sitting as Court of Civil Appeal
Before Justices Agranat, Sussman and Witkon.

Tax Assessment Officer, Appellant, v. H. Krongold, Respondent (C.A. 253/54).

Decision on 50% Tax Ceiling Overruled

The Supreme Court allowed an appeal against a decision of the Jerusalem District Court, sitting as a Court of Income Tax Appeal, delivered on October 20, 1954 (I.T.A. 19/54).

The two questions before the District Court had been based on section 29(2A) of the Income Tax Ordinance, as amended in 1953, which lays down an income tax ceiling of 50 per cent of any person's chargeable income. The first question was whether the family and insurance allowances which, according to sections 15 and 16 of the Ordinance, must be deducted from the tax payable (and not from the income) should be deducted after the 50 per cent ceiling had been established or before. Judge Many decided that the tax should first be frozen at 50 per cent of the chargeable income, and that the family and insurance allowances should then be deducted from this frozen tax.

The second question was whether the 7½ per cent income tax increment which the local authorities may impose according to the Local Authorities (Income Tax Increment) Law, 1953, should be added after the tax had been frozen at 50 per cent, or whether income tax plus increment should not exceed 50 per cent of any person's chargeable income. Judge Many decided in favour of the latter interpretation. (For the District Court judgment see Law Report of October 14.)

Dr. M. Stein appeared for the Tax Assessment Officer; Mr. Haim Krongold appeared on his own behalf.

Judgment

Justice Witkon, in delivering the judgment of the Supreme Court, analysed section 29 (2A) which states that: "....the tax which is payable by any individual shall not exceed 50 per cent of his income before deductions were made (from his income) according to sections 14 and 15B (which deal with personal allowances, etc., but not family and insurance allowances)." He concluded that "the tax which is payable" refers to the tax which, after all deductions — including deductions from tax for family and insurance allowances — are made, must eventually be paid by the taxpayer.

Justice Witkon agreed that according to this interpretation there would be no difference between two tax-payers to whom section 29 (2A) applied, although one had a family and also paid regular amounts for social benefits, whereas the other had neither a family nor paid for social benefits; but while he did not think that the legislator had been unaware of this point, he felt that it was obvious that the legislator had not intended taking into consideration the family status of any individual tax-payer, as is evidenced from the fact that section 29 (2A) specifically lays down that no account must be taken of the deductions according to sections 14 and 15B.

In dealing next with the question of the 7½ per cent income tax increment, Justice Witkon disagreed with Dr. Stein that the mere fact that this increment was a tax imposed by the local authorities meant that it was not income tax, pointing out that it would have been quite possible to have included the 7½ per cent within the 50 per cent restriction if the Knesset had so desired (and from the Knesset reports it would appear that the Minister of Finance had been so inclined); but the law as it was finally passed did not include this increment within the restriction. Section 3 of the Tax Increment Law states that the rate of the increment shall be 7½ per cent of the income tax "as assessed" which, continued Justice Witkon, means assessed in accordance with the Income Tax Law, without any reference to the increment. Consequently, Justice Witkon held, the 7½ per cent increment must be added to the income tax after it has been frozen at 50 per cent.

In dismissing Mr. Krongold's argument that, since section 7 of the Income Tax Increment Law states specifically that the 7½ increment should, for the purposes of law, be regarded as part and parcel of income tax, section 29 (2A) applied also to this increment (an argument which had been accepted by the District Court) Justice Witkon emphasized that this interpretation would not be consistent with section 3 or with other specific provisions of the Income Tax Increment Law. In addition, were this interpretation to be accepted, it would mean either the complete nullification of the 7½ per cent increment for those taxpayers to whom the 50 per cent ceiling applied, or that the 50 per cent ceiling would be lowered so that the new ceiling plus the increment should not exceed 50 per cent of the total income. The result would be, Justice Witkon concluded, that those taxpayers who were liable for the 7½ per cent increment would be less heavily burdened by income tax than those who were not liable for the increment, and he saw no reason for ascribing to the legislator the intention of tying the rate of taxation to the liability or non-liability of the tax-payer for paying the increment.

Appeal allowed.

Judgment given on January 13, 1955.

ONE INSTRUCTOR FOR 20 GADNA

Jerusalem Post Reporter

Additional regulations giving exact details of the instructor-pupil proportions in Gadna groups have been sent to all schools by the Ministry of Education and Culture.

There must now be one instructor per 20 students on hikes or other exercises, with a minimum of two instructors, however small the group. If the number of students is very large, the instructor-student proportion must be increased.

Instructors must see that those incapable of hard physical exertion are freed from vigorous exercises and hikes.

When an instructor is relieved he will hand over his charge to his successor with a complete report as to their physical ability and his advice regarding future activities.

A BUS service has begun operating inside Hadera. A service to outlying suburbs was started some time ago.

Week of Events On Jewish Brigade Holiday

TEL AVIV, Monday.—Week-long ceremonies to mark the 10th anniversary of the Jewish Brigade group will open with a broadcast message by President Ben-Zvi and Prime Minister Sharett on March 20, members of the organizing committee told the press here yesterday. The Prime Minister and the Minister of Defence will be the official sponsors of the celebrations, which will include the inauguration of a memorial monument to the Jewish volunteers in World War II to be erected in Haifa; and a march-past of the able-bodied veterans of the Palestinian veterans in Tel Aviv.

A world congress of Jewish ex-servicemen in Jerusalem is also scheduled, as well as an open-air production of a play by Moshe Shamir in the Ramat Gan Stadium. Memorial services will be held in synagogues on the Saturday of that week.

The cost of the celebrations is estimated at IL.50,000, to be borne jointly by the Government and institutions, such as the Jewish Agency and the Histadrut.

(Hitav)

Where to go.

JERUSALEM

★ **Exhibitions:—**

"Conquest of the Desert" permanent exhibition at the former Israel pavilion of the "International Conquest of the Desert" Exhibition. 10-1, 4-6 p.m.

Department of Antiquities, special exhibition: Excavations of a Canaanite Temple on the seashore of Mahartza (XVIIIth-XVth centuries B.C.E.). 25 Rehov Shlomo Hamelech. Open 9-1.

Permanent Exhibitions. Also African Folk Art. Exhibit of the Month: Max Liebermann: Prof. Hermann Cohen. 9-1, 3-6. Bezalel Museum.

Paintings by Hadgadya and Yehudit Sobel; Artists House, 10-1, 4-6.

Drawings by Yehuda Bacon and Glass Paintings by Deborah Blumenthal. Nora Studio Art Gallery, 7 Ben Maimon Avenue. Rehavia (10-1; 3-6).

★ **Tours:—**

Hebrew University conducted tour new Administration Building. King George Ave., opposite Terra Sancta, 10 a.m.

★ **Film Shows:—**

Karen Hayesod, for tourists and visitors, 11.30 a.m.

★ **Library:** —

American Library and Reading Room, U.S. Consulate, Mamilla Rd. Entrance free, 9-1; 3-6.

TEL AVIV

★ **Concert:** —

Tonight at 8.45 at B.O.A. House (for Series 7 Subscribers). Concert No. 5. Evening of Songs and Arias. Soloists: Schoeben (Soprano), Moshe Lustig (Piano).

★ **Exhibitions:—**

1) Jacob Wechsler, recent oil paintings, 1954. 2) Drawings by Masters of the Italian Renaissance (reproductions). Open daily 10-4; Fridays, Saturdays 10-1; Sundays 4-10 p.m. — Tel Aviv Museum.

Today 5 p.m. at Tel Aviv Museum opening of exhibition of the painter Kisnad. (His work of the past 8 years).

★ **Theatre:—**

"Candida," Chamber Theatre Mograbi, 8 p.m.

Habimah: "The Wild Duck." Habimah, 8 p.m.

HAIFA

★ **Exhibitions:—**

Reliefs by A. Mereer and paintings by Melitta Schiller. Municipal Museum, Town Hall, 10-1, 4-7.

Pictures, oil pastels, drawings by Moshe Barak. Treclyn Art Gallery, 10-1, 4-7 p.m.

★ **Lecture:** —

Dr. O. Frankel, Professor of Entomology at the University of Illinois will speak tonight at 8 o'clock in Lecture Hall 54 of the Technion on: "Insects and Plant Biochemistry," auspices of the Technion Public Lecture Series.

★ **Concert:—**

Subscription Concert No. 8. Conductor: Georg Singer. Soloist: Faina Salzman. Programme: Harmani: Concerto for Strings; Barpas: Israel Dances; Chopin: Polonaise Brillante; Dvorak: Serenade for Strings. Peer Hall, 9 p.m.

Bach: Cantata; Beethoven: Emperor Piano Concerto; Schubert: Unfinished Symphony No. 8. Pevsner Hall, 8.15 p.m.

KFAR SABA

★ **Theatre:—**

"Mocks Fun Odes," Bursztain-Lux. Assaf Hall, 8 p.m.

RAANANA

★ **Theatre:—**

Habimah, "The Caine Mutiny." 8 p.m.

BEERSHEBA

★ **Theatre:—**

"Nasr-e-Din." Chamber Theatre, 8 p.m.

EMERGENCY PHARMACIES

JERUSALEM: Rehavia, 22 Uzeishkin, 4708. Rehovot, Bukharian Qr., 4726.

TEL AVIV: Allman, 1 King George, 3791. Krinkin, 10 Herzl, 3828. Yehuda Halevi, 91 Yehuda Halevi, 5188. Mordan, 169 Ben Yehuda, 23078. Hatikva, Hatikva Qr., 67604. JAFFA: Nogg, nr. Nogg Cinema, 91266. RAMAT GAN: Orion, 19 Arlosoroff. GIVAT RAMBAM: Rambam. B'NEI BRAK: Rosenthal, Kiryat Shmuelits. NATANYA: Hameiri, 81, Weizmann. HAIFA: Herzl, 42 Herzl, 2916. Levanoni, 81 Ha'atzmaut, 2586. NAHARIYA: Naharlya. KIRYAT SHALIM: 7280. SAVAD: Feldman.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Romanov, 11 Arlosoroff, 61217. Dr. Abelas 19 Uzeishkin, 2686. Dr. Greenwald, 5/20 Greek Colony, 62565.

TEL AVIV: Dr. Shaham, 1 Syrkin, 23842. Dr. Sacher, 165 Dizengoff, 25662. Dr. Levitan, 11 Hayarden, 24507.

HAIFA: Dr. Sherman, 3 Hanevi'im, 4434; Dr. Rosenzweig, 51 Moriah, 2216; Dr. London, Cohn Channa Mids., 2252.

Pupils Want Work To Rehabilitate School

Jerusalem Post Reporter

One hundred pupils of the seventh and eighth grades of the Geulim primary school in the Baka'a quarter of Jerusalem are looking for "a day's work." They want to use the "pay" to replace some of the school's equipment which was destroyed in a fire a month ago.

The school was broken into on December 13, allegedly by four young men now in custody who are believed to have set fire to the building, causing damage estimated at IL.15,000 to the walls, woodwork and furniture, and IL.10,000 to valuable equipment, including a 16mm. motion picture projector, a stencil machine (used for the school's daily paper), a typewriter, two microphones and a loudspeaker, a photograph, an accordion, sports equipment and clothes.

In addition to the "day's work" scheme, preferably in agriculture, other student committees are raising money to buy new equipment by: selling saving stamps to pupils, organizing donations among parents, giving a concert (clear profit, IL.8), hand sewing, making plastic bags for sandwiches, organizing a lottery, holding an exhibition, and selling saplings from the school nursery.

A great number of pupils have "sworn off" sweets for the rest of the year, donating to the school the money thus saved.

Founded six years ago with 17 pupils, the school has grown to 700 pupils (nearly all children of new immigrants) housed in three separate buildings. Mr. Shlomo Doron, the principal, has 30 teachers on his staff.

60,000 MORE BOOKS

During 1954 the Jewish National and University Library was enriched by some 60,000 volumes and about 120,000 journals and newspapers. The major proportion were received as gifts, largely through the Friends of the Hebrew University in various countries. The Library again cooperated with the Ministry for Religious Affairs, sending a special representative to Europe to continue the work of salvaging the looted Jewish libraries.

AT THE CINEMA

WESTERNERS owe their success to Mr. Everyman's dream fulfillment. If your critic wasn't too deeply impressed by "Shane" (Elite, Ptam) the reason is probably that he never dreamt of being such an unbearably good and noble teetotaller. Alan Ladd, moreover, is so obviously super-duper class with fist and gun that there is no element of suspense in his exploits.

The supporting cast, except Jean Arthur, who keeps her perm in perfect order even on a lonely home-stead, is superb, including the horses and the dogs and last but not least, the little boy. The theme is the old fight between rangers and farmers, a theme new in the time of Cain and Abel. People who like horse-opera will love "Shane" but even people who don't like Westerns loved "High Noon," and that is just the point.

Filmed Ballet

"TALES of Hoffmann" is back in Jerusalem, at the "Ross," for ballet fans, who missed that marvellous production. I dropped in to see Moira Shearer in the "Olympia" episode (for the fourth time). To my taste this is the greatest ballet ever filmed. Compared with the Russian Ballet film, still running at the "Arnon", it illustrates the enormous range of new possibilities the screen has given to Terpsichore's art.

Italian Needed

LIKEWISE, I shall most decidedly go to the Or-Gil (Ptam) again to enjoy Anna Magnani in the last episode of "Siamo Donne." This film will be fully enjoyed only by people with a perfect command of the Italian language, but it is an interesting experimental production, consisting of a well-made reportage of a film-competition and four scenes out of the lives of great Italian actresses. Alida Valli is very good as a star who tries to have fun at the engagement party of her masseuse. Ingrid Bergmann with her dogs, horses and roses is so thoroughly countryfied that one always expects her to start talking the Queen's English. Isa Miranda rescues a little boy, using all the dusty tricks of the silent film. Anna Magnani refuses to pay one lira surtax for taking her dachshund in a taxi, gets into all kinds of trouble and is almost too late to the theatre to sing a Roman song there as only she can do it. She is a genuine and fullblooded folk-actress and makes other actors pale before her. And all the Carabinieri of the Roman Questura, who are obviously real cops, play up to her in one of the funniest scenes ever seen on the screen.

Th.F.M.

Sex and Acting

MANY years ago, about the time the "talkies" were being born, a young siren called Joan Crawford began her climb to Hollywood stardom, via the musical film. Her chief assets then were plenty of sex appeal, a near-perfect figure and the ability to put over a song and to dance. But it was her very individual dramatic talent that brought her to the top.

Now in "Torch Song" (Yaron, Tel Aviv), for the first time in years, she combines her two talents as Jenny Stewart, a domineering musical star who has no life apart from the stage until she meets a blind pianist, well played by Britain's Michael Wilding.

In this, her first picture in colour, the overgrees, Miss Crawford gives a truly virtuoso performance and proves conclusively that she has lost none of her talent as a striking song-and-dance artist. All in all "Torch Song" can be highly recommended.

J.L.

Slow Night

"WIFE for a Night" (Armon David T.A.) is a charming though sometimes slow moving picture set in 19th century Italy. Gina Lollobrigida, Gino Cervi, the Mayor in the Don Camillo pictures, and Rumanian-born British filmstar Nadia Grey are a well selected cast.

The story is about an unknown composer who discovers that to persuade an amorous count to sponsor the production of his opera his plain-looking composer's wife has to change places with a sparkling courtesan for one night. With Gina Lollobrigida as the dull wife soon changing into the dazzling creature she really is, the resulting complications become rather funny. "Wife for a Night" is good entertainment and of more general appeal than most continental pictures.

M. L. D.

Blue Moon

THE Danny Kaye "Hans Christian Andersen," having run its first week at the two cinemas, Armon and Orah, is now replaced at the former by "The Moon is Blue," transferred to the screen with William Holden, David Niven and a new star, Maggie MacNamara. The mark of the theatre remains in a plot that evolves almost solely within a single room; but the film's bright sophistication, continuous thrust and parry and novelty in the arrangement of the triangle makes it a very lively and witty piece of work.

H.

YVES TANGUY, SURREALIST

WATERBURY, Connecticut, Monday (Reuter).—The French-born surrealist-painter, Yves Tanguy, died in hospital here on Saturday, aged 55, it was announced today.

His wife, American-born artist Kay Sage, called her husband "perhaps the only true surrealist — almost like a medium."

Tanguy, who once described Picasso and Dali as "monkeys," claimed that "seeking is more important than painting."

He came to the U.S. in 1939 and later became an American citizen.

Two Records Set At Kfar Saba

Two new records, one a women's Israel javelin throw and the other a men's Hapoel shot-put, were set at a Hapoel light athletics meeting at Kfar Saba over the week-end. Yardena Medalia, of Tel Aviv Hapoel, threw the javelin 33.96 metres to clip 0.01 off the record held by her club-mate Raya Bronstein, for the new Israel 'high'.

Zohar Edelstein, of Givat Hashlosha, put the shot 13.47 metres to better his own previous Hapoel best by 3.6 ms. In the team competition between the Youth Hapoel clubs of Tel Aviv and Kfar Saba, the former came out on top with 111½ points to their rivals' 108½.

Among the other results, Ya'acov Bronstein, of Mishmarot won the 1500 metres race in 4 mins. 15.8 secs., and Arie Silberman, of Tel Mond, gained two field events, the discus throw with 40.91 metres and the javelin throw with 50.75 metres.

BASKETBALL

In basketball games over the week-end, Motzkin Maccabi sides gained two wins in Maccabi League meetings in Haifa. Its girls' B side defeated Tel Aviv, 35-27, after leading 24-15 at the interval, while its youth (born 1939) side scrapped home 32-31 against Brith Maccabim Atid, who nearly made up a 5-19 half-time leeway.

Hapoel League teams were busy on Friday and Saturday in Haifa too. Results here were: Ashdot Yaacov beat Mishmar Ha'Emek, 57-53, and Bet Alpha, 58-44; Haifa beat Bet Alpha, 69-48; and Mishmar Ha'Emek beat Haifa, 60-47.

EIN HAROD WINS RUN

Ein Harod Hapoel won the Ein Harod to Sde Nahum run over the week-end in 29 minutes 17 seconds. The run, about 10 kms. was staged as part of the 18th anniversary celebrations of the establishment of Sde Nahum.

Executive Firm On Betar Threat

In a statement issued by the Executive Committee of the Israel Football Association some days ago the stages of an ultimate threat by the Betar representatives to withdraw are set out.

At a meeting of the Council of the I.F.A., the statement relates, the Betar representatives urged that the result of a replayed game between Haifa Maccabi and Petah Tikva Maccabi should not affect the position with regard to the proposed First Division, which should comprise 13 teams, so that Tel Aviv Betar may continue to play in the higher sphere.

The Executive refused to accept this proposal on the grounds that the creation of such a principle might give rise to continual wrangling, upon which the Betar representatives stated that their organization would leave the Association. The statement stressed that the Executive Committee would maintain its previous attitude and not succumb to pressure.

The present situation continues the troubles besetting the I.F.A. which is now operating without the co-operation of any Maccabi representatives, who formerly formed half of the Association's Committees, on the 50-50 agreement with Hapoel.

The reference to the Haifa-Petah Tikva match reverts to the end of last season when the two teams met in a crucial game, upon the result of which depended whether Haifa Maccabi or Tel Aviv Betar would be relegated to the Second Division. Critics accused Petah Tikva of a "sell-out" after Haifa had won the first meeting, to ensure that the Maccabi side should remain in the Premier Division.

The I.F.A. eventually ordered a replay of the game on a neutral ground. This took place at Kfar Saba, when Haifa won 4-1 (as reported Sunday), which meant that they would stay in the First Division.

It has seemed necessary for some time that the I.F.A. should set its house in order, with the emphasis on members acting from the angle of national sport, not from sectarian motives, and this would appear to be more urgent now that Maccabi are not in the Association and Betar are on the way out.

AKIVA KALMAN

IN THE DISTRICT COUBT OF HAIFA
Probate File No. 9/55.

In the matter of the Will of Hilda Andersson, deceased, of Jerusalem, who died on April 25, 1948.

And in the matter of Torsten Andersson, by his Attorneys, Zvi Shwars, Advocate, and/or Arnold Spear, Advocate, and/or Shlomo Toussia-Cohen, Advocate, and/or Itzhak Toussia, Advocate, and/or Reuven Shari, Advocate, and/or Yigal Arnon, Advocate, Jerusalem.

THE PETITIONER

CITATION

In virtue of an order of the District Court of Jerusalem bearing date this day, I do hereby cite all and all manner of persons to appear in the said Court in ten days from the date hereof, and show cause if any they have, why the last Will of Hilda Andersson, deceased, should not be proved, approved and registered, and a certificate of probate thereof granted to Zvi Shwars, Advocate, of Jerusalem, as attorney of Torsten Andersson, a beneficiary under the said Will, and why an order declaring the succession of the said immovable property of the said deceased should not be given, as, in default thereof, the Court will proceed to grant the same accordingly.

Dated this 11th day of January, 1955.

(-) M. Cohen, Registrar.

Cinemas

JERUSALEM
At 3.30, 6.30 and 8.30 p.m.
ARNON: Stars of the Russian Ballet, 5th week.
EDEN: Executive Suite.
EDISON: Lies.
ORGIL: We the Women.
ORION: Beneath the 12 Mile Reef. 2nd week.
ORNA: The Real Friends.
RON: Tales of Hoffmann.
STUDIO: "L'Enclave," 2nd week.
TEL OR: Beware my Lovely.
ZION HALL: Shane.

★

TEL AVIV
At 3.30 7.15 and 9.15 p.m.
ESTHER: Megambo, 3rd week.
MOGRABI: Three Coins in the Fountain, 4th week.
TAMAR: Come Back, Little Sheba. 2nd week. Continuous from 2.45 p.m. to 5.45 p.m.
YARON: Torch Song.
RAMIR: Stalag 17, 2nd week, 7.15 and 9.15 only. Continuous from 10 a.m. to 5.30 p.m.: The Great Waltz.

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WIZO
will hold a public meeting, sponsoring GOOD CITIZENSHIP at the Beth Ha'am, Ramot Hashavim, on Tuesday, January 18
Guest speakers will be:
the Mayor, Mr. Hurvitz; Mrs. V. Asker, of the Swedish Legation; Mrs. V. Hugh, of the U.S. and Dr. R. Bingenheim, Head of the Organization and Cultural Department of Wizo in Israel.
Films will be shown.

TNUVA CREAM
TASTY AND NOURISHING

Today's Post Bag

THE WEATHER

FORECAST: Fair.

	A	B	C	D
Mt. Cana'an	37	8	15	14
Tiberias	43	13	20	20
Haifa Port	40	11	20	21
Na'aman	36	11	20	22
Tel Aviv Kirya	38	9	20	24
Tel Aviv Port	39	9	24	23
Lydda Airport	35	5	24	23
Jerusalem	40	11	16	14
Beersheba	39	6	23	21
S'dom	44	12	29	26
Eilat	48	13	35	28

* * *

REGRETTING THE lack of a hospital ward suitable for psychiatric cases, Tel-Aviv Magistrate B. Giladi yesterday sentenced a hashish addict, R. Ben Shimon, 29, to one day in prison, and bound him over for two years. Shimon was charged with resisting a police search, during which a packet containing 1,100 grammes of hashish fell from his pocket.

* * *

A CLAIM for IL.900 damages from the Minister of Posts, Dr. Y. Burg, was filed in the Tel Aviv District Court yesterday by Rabbi A. Neuwirth, of Jaffa. The claimant contends that he loaned a manuscript on hygiene to Dr. Burg when he was Minister of Health in 1952, and the latter had concealed its loss.

* * *

FOR RIDING his motorcycle without a driving licence, a vehicle licence or third party insurance, Ya'acov Mascona, 30, of Tel Aviv, was fined IL.80 yesterday by Tel Aviv Magistrate Y. Treibish, who also ordered his driving licence withheld for one year.

* * *

FOR DRIVING his lorry while under the influence of drink and for colliding with a car, injuring the driver, Shalom Zukovsky, 34, of Jaffa, was fined IL.350 and had his licence revoked for two months by Magistrate Steinberg in Tel Aviv yesterday.

* * *

BEERSHEBA ROTARY Club was presented with its Charter yesterday at a ceremony attended by delegates from all the Rotary clubs in the country.

* * *

A THIRD CLINIC for Bedouin tribesmen in the Negev will be inaugurated on Wednesday by the Minister of Health. The new station at Tel el-Milh will be permanently staffed. The other two clinics are open once a week, when Dr. H. Koslovsky, from Beersheba, attends.

* * *

A PEDAGOGICAL CENTRE, which will provide advanced courses to licensed and unlicensed teachers, will open at 3:30 p.m. tomorrow in the Ehrlich School in Tiberias. The Centre, to serve teachers in the Tiberias area, will also provide instruction in practical problems.

NEW CURRICULUM UNDER DISCUSSION

The new curriculum for the final four years of elementary school was discussed yesterday by the Education Committee which advises the Minister of Education.

Designed to be used in all State schools — the new curriculum was first used at the beginning of the present school year and will be taught experimentally for two years in three schools in each district.

In addition, 60 or 70 schools in each area will be designated to adopt the new curriculum in one subject only.

The Minister, Prof. B. Dinur, declared yesterday that the Ministry had decided to strive for a single educational goal throughout the country, rejecting suggestions that one standard be set for schools in old settlements and another for those in new settlements.

General Mortgage Bank Dividends Proposed

TEL AVIV, Monday. — The Directors of the General Mortgage Bank of Palestine, Ltd., met here today to consider the report and accounts for 1954.

It was resolved to call the annual meeting next month and to propose to pay, as last year, a dividend of 6% per cent on preference shares and 6½ per cent on ordinary shares, less income tax. On account of these dividends, interim dividends of 30 per cent have already been paid in each case.

ELECTORAL REGISTERS

The Cabinet, at its weekly meeting on Sunday, discussed putting forward the registration date for compiling the electoral registers, and not advancing the date of the local elections, as was reported yesterday.

RATION NEWS

JERUSALEM DISTRICT: Eggs: 4. Sameh 12; temp. 5. Bananas for children: 500 gr. Men 47; for adults: 200 gr. Men 48, temp. 49. Fillet: 150 gr. Tav Bet 12. Temp. 24. **TEL AVIV and SOUTHERN DISTRICT:** Eggs: 4. Sameh 13; temp. 4. Poultry for expectant mothers: 750 gr., 1, 3; for elderly persons: 500 gr., Men Heh 48; for invalids: 500 gr., Het Aleph 3, Het Bet 3. **HAIFA and NORTH:** Margarine 200 gr., Sameh 9; temp. 1. Rice: 250 gr. on Aleph cards, 200 gr. on Bet cards. Sameh 5. Flour: 750 gr., Sameh 4. Cocoa: 100 gr. on Aleph and Bet cards, no coupon; temp. 14. **HAIFA and NORTH:** Eggs: 4, Sameh 12; temp. 5; for expectant mothers: 14, coupons 19, 20; for invalids: 4, Het Aleph 1; 2, Het Bet 2; 4, Het Gimel 2. Poultry for children: 250 gr., Sameh 36; temp. 40; for elderly persons: 500 gr., Men Heh 48; for expectant mothers: 750 gr., Heh 1; for invalids: 500 gr. on each of Het Aleph 4, Het Bet 4. Bananas for children: 1 kg., Men 46, 47; temp. 31, 32; for adults: 200 gr., Men 48, temp. 41.

Haifa Council Agrees On Children's Saving

HAIFA, Monday. — The Town Council here tonight gave its approval in principle to the establishment of a children's saving fund. All Councillors, except Mrs. I. Iram (Communist), who abstained, voted in favour of the project, which will invite parents to save IL.1 each month (or, according to an alternative proposal, IL.2) for their children from birth until the age of 14, and an additional IL.10 each year with the object of enabling the children to enter secondary school. The draft has been returned to the Finance Committee for final shaping.

In the debate before the vote, Mr. Z. Zimmerman (G.Z.), expressed his regret that there was no municipal secondary school in Haifa. He feared that the project would require a large outlay, and suggested that an all-party council be established to see how it could best be carried out.

Mayor Abba Khoushy, in summing up, said that the fund alone would not solve the entire problem of secondary education, for that needed the joint efforts of the Government, Municipality and parents.

However, he felt "absolutely certain" that the scheme would succeed, just as it had done in other countries. Payment would be voluntary, but he envisaged a 50 per cent participation.

The money is expected to be invested in school buildings to retain its value in face of possible inflation.

In opening the discussion on the city's IL.12m. budget draft, Mr. Y. Milson (G.Z.) stated that he contemplated an IL.1m. deficit. In 1953/54, every wage earner in Haifa paid IL.90.320 to the Municipality, and it was impossible to burden the population further.

(Estimated revenue from rates is IL.800,000 above that of the current year).

He thought the business tax would yield only IL.780,000 and not IL.1m.; general rates, IL.. 2.6m., instead of IL.2.86m. and the company tax IL.150,000 and not IL.340,000. Besides this, the cost of the city's administration would be ten per cent of the whole rather than seven per cent, as anticipated.

He did not think that Haifa needed a university, and instead suggested improvements in the Municipality's existing schools. He wished to see a larger sum allocated to health, and two more clinics established.

Mr. M. Abzug (Ahdut Ha'avoda) said he could not accept the budget as it stood. The Municipality had to look for a higher income and he suggested that the money be obtained from those who could afford to pay. He added that parks and roads had not been maintained adequately, and also called for IL.100,000 for the building of a municipal secondary school. Discussion on the budget will continue next week.

Kurdaneh Driver's Defence Pleads Non-Culpability

Jerusalem Post Reporter

HAIFA, Monday. — Hearings in the preliminary inquiry into the charge of manslaughter against Dov Tilo, 36, the driver of the Egged bus which was hit last November by the Haifa-Acre train at the level-crossing near the Kurdaneh sa'bara, ended here today with a request by the Prosecutor, Mr. Y. Margalit, that the accused be committed for trial in the Haifa District Court for the manslaughter of 13 victims of the crash in violation of Section 215 of the Criminal Code.

While admitting that there may be grounds for trying the accused in violation of Section 218, counsel for the defence, Mr. D. Becher, argued that his client had not shown culpable negligence as required for prosecution under Section 212. This latter prescribes a maximum penalty of life imprisonment, while violation of Section 218 carries a maximum penalty of only two years in prison.

The first prosecution witness heard today, Mrs. Bertha Goldenberg, who had sat directly behind the driver on the ill-fated bus stated that she had heard some of the other passengers shout warnings at the driver that a train was approaching. She could not remember how far was the bus from the crossing at the time.

Mr. Avraham Maimon, another passenger, said that he heard several persons shout warnings of the approaching train while the bus was 30 or 40 metres from the level-crossing, and that he heard the train whistle immediately before the accident. A third passenger, Mr. Nissim Alfandari, told the Court that he heard the rumbling of the train when the bus was some 60 metres from the crossing, at which time he and other passengers warned the driver. On seeing the train, the driver changed gears and tried to speed across the tracks before the oncoming train, he added.

Magistrate S. Rasi rejected a Prosecution request that another passenger, Mr. Yehuda Fishkin, be declared a hostile witness on the grounds that he had altered his testimony. Mr. Margalit argued that Mr. Fishkin, who told the Court that he had heard no shouts until the "front wheels of the bus were already on the tracks," had previously made a statement to the police to the effect that he heard shouting when the bus was 10 or 20 metres from the crossing.

After asking to be excused from testifying on the grounds that, just prior to coming to Court, he had "worked almost continuously for 36 hours," Mr. Yosef Rosner, the driver of the train which crashed into the bus, told the Court that he began to sound the horn of his Diesel locomotive some 400 to 500 metres before the crossing, well before the point at which he was required to do so, and that he continued to sound the horn when his fireman told him of the approach of the bus. He himself did not see the bus until the locomotive was about 30 metres from the crossing. He then put on his brakes, bringing the train to a stop about 200 metres beyond the point of the accident.

In reply to questions by counsel for the defence, Mr. Rosner said that he did not know the distances required to stop the train at various rates of speed, and that at the time of the accident the train was travelling at about 60 k.p.h.

The fireman of the locomotive, Mr. Nahum Shusterman, stated that he became excited on seeing the approaching bus and shouted warnings to the driver who continued to sound the horn. He said that he kept his eyes on the headlights of the bus until the accident occurred.

No defence witnesses were heard at the inquiry and the accused chose not to be questioned. Magistrate S. Rasi will hand down his decision at noon tomorrow.

Witness Declares Two Bursts Fired Into Bension, Rynar

Jerusalem Post Reporter

The crucial question, if Dr. Samuel Bension was killed, and his son-in-law, Mr. Gideon Rynar, seriously injured, by one or two bursts from a tommy gun on August 20 in the Kiryat Moshe quarter of Jerusalem was answered in the Jerusalem District Court yesterday by Mr. Meir (Red) Weiner, who stated emphatically that there were two.

He was appearing as a prosecution witness in the trial of Shaul Nehemia, 30, Avraham Siton and Mordecai Gozlan, both 22, for the murder of Dr. Bension. (If there was one burst, it could have been fired by an excited person, if two, it showed a certain amount of coolness since the gun had to be aimed twice and accurately, the prosecution holds.)

In answer to Mr. Ezra Hedaya, the District Attorney, Mr. Weiner said that on the evening of August 20, a Friday, he saw a car approach the building in which he rented an apartment from Dr. Bension. Later, when he was in the kitchen, he heard "two bursts from an automatic weapon." He ran to the balcony and saw a man get into a car which then raced away.

Cross-examined by Mr. Jacob Hagler, counsel for the defence, Mr. Weiner said he was familiar with weapons and had used a machine gun and light canon against enemy planes while in the U.S. Navy. Referring to the incident, he said that he had heard four or five shots in the first burst and the same number in the second, both coming from the same weapon.

Mr. Hagler: "Can you exclude the possibility that the second burst was an echo of the first?"

Mr. Weiner: "I don't believe it could be an echo." Later he amended his statement to say that "it was impossible." He went on to say that the bursts themselves lasted four or five seconds.

Fast Shooting

Mr. Hagler: "You will be surprised to hear that one can shoot five bullets in a tenth of a second."

Mr. Weiner admitted that he may have been mistaken as regards the time, but that his impression remained as he had given it.

Mr. Moshe Adika, a taxi driver, living in the Greek Colony, said that two days before the murder he had hired out for IL.18 his black Plymouth taxi to Nehemia and Siton (who was to drive) to take "two girls for a drive."

The car, whose dashboard showed it had been driven 44 kilometres, was returned in "the same condition" as when it was taken.

At this point, Siton called Mr. Hagler aside and whispered to him. Mr. Hagler, in cross-examining the witness, asked if the hand-brake lining had not been almost completely burned out when Siton returned the car. (This might have indicated that the driver had started off while excited, forgetting to release the hand-brake). Mr. Adika said that the lining was indeed, burned, but that even veteran drivers could forget to release the hand-brake.

Other witnesses yesterday were Mr. Baruch Gershon, of Zichron Yosef quarter, who said that he had refused to rent his taxi to Nehemia; Mr. Rahamim Elbaleg, of Jerusalem, who said that Nehemia had asked him if he had a tommygun for sale (he hadn't); and Mr. Shimon Levy, of Givat Shaul, who told of finding a rusty 45 calibre pistol while hiking near Dir Yassin and selling it to Nehemia for IL.27.

The Court was composed of Judge Henry Baker, Relieving President, and Judges Moshe Goulan and Yehuda Cohen.

The trial is to continue this morning.

Crime Rate Down in Haifa Area

Jerusalem Post Reporter

HAIFA, Monday. — With the exception of murder, crimes of all types in the Haifa area declined in 1954, while police efficiency in bringing malefactors to book has risen remarkably, according to a preliminary annual report released yesterday by District Police Headquarters.

Seven murders were committed here last year, as against two in 1953, and all seven murderers were found and brought to court. Armed robberies dropped from 15 to 11, and police investigation was successful in 10 of the cases, as against 12 the year before. The solution of burglary cases — always a hard nut for the detectives to crack — rose from 20 to 28 per cent, and the number of burglaries fell from 710 to 659 — "fewer visitors from out-of-town," a senior officer commented. The only category in which crime increased and police work was less successful than in the preceding year was that of indecent acts, the number of which increased from 29 to 36, while the proportion of prosecutions fell from 68 to 47 per cent.

Commenting on the general improvement in the standard of police work last year, an officer here said that the Force was gaining in professional knowledge and experience, and that the number of resignations among the constables and sergeants was now practically nil.

The incidence of crime also declined in the Hadera sub-district during 1954, apparently due to the drop in petty crime (such as fruit thefts) by temporary residents, and to the increasingly settled character of the population. Of IL.75,000 worth of stolen property, over half had been recovered and returned to the owners.

The Economic Police list monies in 28 currencies transferred to the Treasury which they had taken from persons who had held it illegally. The total sum, worth $317,113, included a few Cypriot shillings and $263,965 in American dollars.

Other items in the 1954 report are: smuggled goods worth IL.468,000 confiscated by Customs or police. The District Police Force lost 70 men, mainly in the administrative and service departments. The police dog training base in the Bayside area has been enlarged, and 17 dogs are now on active duty throughout the district. Twenty-eight Israel seamen jumped ship in 1954, most of them in the U.S.

INCITEMENT

Posters calling on religious Jewry to continue their illegal demonstrations outside the Children's Club of the Working Mothers Organization in Jerusalem in order to "fill the prisons to overflowing" were posted on walls in Mea Shearim yesterday.

Sheikh's 'Cure' Fails, Causes Woman's Death

TEL AVIV, Monday.—A sheikh who professed to cure patients with amulets and caused the death of a woman was sentenced to six months in prison and was fined IL.300 today in the District Court. Sheikh Mustafa Bebor Dasuki, of Taibe village in the "Triangle," was asked by the relatives of a woman afflicted with a mental illness, to give her treatment.

The sheikh is known to treat mental patients.

The accused told the Court that although he had not learned medicine, by observing the practices of his parents, he had learned to practise the traditional art of curing mental disease and paralysis by giving his patients amulets.

The victim's family had paid him IL.40 for a course of treatment.

The sheikh had fettered the woman, had placed her in a dark room alone, and had fastened two charms on her arms. After three days, he had visited her but had seen no signs of improvement and had agreed to move her elsewhere. In the meantime, he had driven an iron bar into the floor and had fastened the patient to it. While attempting to escape from her shackles, the woman was strangled by the rope which bound her to the iron bar.

Postcards Warn Sharett Of Excommunication

Two postcards describing the impending excommunication of the families of Prime Minister Sharett and Mr. Levy Abrahami, Jerusalem District Superintendent of Police, if Rabbi Amram Blau and his followers were not released from detention, were found in the possession of Shimon Agasi, a Jerusalem resident, early yesterday morning. Agasi was detained by police at 3 a.m. as he was walking on Jaffa Road in Jerusalem.

The postcards, written in Torah script and addressed to Mr. Sharett and Mr. Abrahami, also demand the removal of the Children's Club of the Working Mothers Organization from Rehov Devorah Hanevia in Jerusalem and the halting of Sabbath demonstrations on Jerusalem's streets. The excommunication is described as being attended by the whole nation wrapped in prayer shawls, the blowing of ram horns and the lighting of candles.

Agasi claimed that he was on his way to find a place to sleep in the Talpiot synagogue and that the cards were given him to mail by a man in the Beit Yisrael quarter synagogue. Police are now investigating Agasi's claim concerning the man.

Message Found In Herring's Stomach

Jerusalem Post Reporter

A small perfume bottle containing two names and addresses, and a message written in German — "taken prisoner, September 13, 1954" — repeatedly was found in the stomach of a herring bought yesterday in the Mea Shearim market in Jerusalem.

The fish was purchased by Rabbi Leibush Deutch at the shop owned by Simha Yohanan Segal.

The message, written in black and almost illegible letters, stated in full: "Mr. Hellmuth Lessig, Braunschweig-W, Wielander Weg 40, F. D. Ledwig Jaenecke, Gefangen am 11-9-54, Elendenguad."

SHARETT

(Continued from Page 1)

beginning in penedem and ustrea. It is irresponsible.

Mr. Sharett then recapitulated the Bat Galim case, emphasizing that the members of the crew had been well aware of what dangers they were facing in their attempt to break the Suez blockade. They had shown courage and confidence throughout, confidence based on the knowledge that they had the full support of the State. Their enterprise had not been in vain, for Israel's rights had been recognized in the U.N., and Egypt had been forced to retract her false accusations.

The struggle for full freedom of passage through the Canal might be long still.

"But we have progressed step by step. We began with a total blockade, when a bundle of old clothing belonging to an immigrant to Israel was taken off a ship and confiscated. We have progressed a good way since then, and although the final victory may not be close, there can be no doubt as to the final outcome. There are still obstacles, but we shall overcome them." The ship had by no means been abandoned. But a policy of neglecting ships on the high seas could be suggested only by a Rip van Winkle who had been asleep since the days of the Jewish Agency and forgotten that Israel now possesses a merchant fleet of its own, and would think twice before neglecting such methods.

Mr. Sharett said, further, there had been no question of the five prisoners in Syria having been neglected, though he would not detail at present what steps had been taken on their behalf. They had in no way been "abandoned" by the release of the Syrian plane.

Lydda Control Zone

The plane had been instructed to land at Lydda entirely on the assumption that any civilian plane that entered the control zone without previously obtaining permission could be asked to land. It had emerged that this assumption was not correct, and there was no precedent for such action, and the plane was released. "In civilian aviation also we can suffer damage as well as inflict it. I should like to make use of this occasion to point out that it is not correct that the plane flew over Israel territory, as was" reported in part of the press."

Mr. Sharett then proceeded to the five soldiers captured by the Syrians, and read to the house the text of the two resolutions adopted by the Israel-Syrian M.A.C. last week and pointed out the significance of prisoners-of-war conventions being applied for the first time to prisoners under such circumstances, which marked an important step forward and was the fruit of efforts made on their behalf. The Syrians themselves had recognized the need to include this condition in their resolution, he emphasized.

Turning to the death of Uri Ilan, he said that the youth had taken his life after many days of solitary confinement. The circumstances of his death were still shrouded in mystery, and would perhaps never be fully understood. Two of the other prisoners had told U.N. officers that they had not suffered torture. Of course the full truth even as regards to this could only be known after their return.

While there was no proof that Uri Ilan had not suffered physical torture, he had certainly suffered mental torture, and there was reason to assume that he believed that his comrades had been executed, and that the same fate awaited him also.

The Syrian Government will not be able to evade responsibility for his death, and no doubt this will be recognized by the U.N.

He ended by saying "The State will have to choose between the rule of law and the rule of lawlessness."

Excessive Rent Must Be Returned

HAIFA, Monday. — Rent paid in excess of the legal rate must be refunded to the tenant, the Rent Tribunal ruled here today.

The ruling was given in the case of Mr. Z. Hartenstreich of 94 Pine Road, who, in October 1952, rented premises minus water, windows or service facilities in the house of Mr. B. Torres. The tenant was charged IL.18 a month for the premises, described in the lease as a storeroom, as, with the landlord's consent, he used the room as his living quarters.

The Tribunal, presided over by Mrs. L. Fortuna, allowed a monthly rent of IL.5 for the room and ordered the landlord to refund to his tenant the rent overpaid since April, 1954, when the new law went into effect.

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More Appeal Funds Needed For Further Immigration—Josephthal

Jerusalem Post Reporter

The transport and absorption of the 30,000 new immigrants who are expected in the coming year would require an additional effort on the part of the United Jewish Appeal in the United States, Dr. Giora Josephthal, Jewish Agency Treasurer, said at the plenary session of the Agency Executive which met in Jerusalem yesterday under the chairmanship of Dr. Nahum Goldmann.

Dr. Josephthal said that the experience gained in implementing the 1954/55 Budget gave rise to serious concern as to the financial prospects for 1954/55. It was essential to obtain additional funds, so that the Executive should be able to meet its obligations.

Mr. Levi Tchiko, speaking as head of the Jewish Agency's Agricultural Settlement Department, outlined the Department's plans for new settlement during the year. He pointed out that the percentage of the population on the land had not reached the figure of 25, which was regarded as desirable.

An effort must be made to settle 3,000 families on the land, i.e., half of the new immigrants expected during 1955. This was an immense undertaking, Mr. Eshkol declared, in view of the shortage of resources for housing, farm buildings, etc. Not much help could be hoped for from the Development Budget, he added, which would be able to contribute only about IL.10m.

After giving an account of settlement plans in the Lachish, Ta'anach and Galilee areas, and in the neighbourhood of Gaza, Mr. Eshkol declared that it was vital for the Jewish Agency to carry out its obligations in this field. Any failure to consolidate the existing settlements would result in a set-back, and would hold up the plans for new settlement work. The Government would give all the assistance in its power, but the Agency must take a realistic view of the situation, and mobilize all its resources for this purpose.

At the afternoon session of the Executive, Mr. Rahman Shamar paid a tribute to the memory of Maimonides, the 750th anniversary of whose death is being commemorated this year. Mr. Shamar referred to the work planned by the Agency's two Departments for Education in the Diaspora in connection with the celebrations.

He pointed out that Maimonides had made a journey to the Land of Israel and had emphasized national liberation and revival as one of the main elements in the Jewish faith.

Dr. Avraham Granott, Chairman of the Board of Directors of the Jewish National Fund, explained his plan for the establishment of a Joint Authority for National Land in Israel which would be responsible for all the activities in the field of agrarian policy which were now carried out, without adequate coordination, by a number of different institutions and government departments. It was proposed that the Authority should consist of equal numbers of representatives of the Government and the Jewish National Fund, and should deal with all the lands administered by the two bodies.

Land reclamation and amelioration would be carried out by the experienced staff of the Jewish National Fund, supplemented by the staffs of Government departments dealing with agrarian matters. The income of the Authority would come from the traditional fund-collecting of the J.N.F., land rents and allocations from the United Appeal.

The Jewish National Fund would still exist as an autonomous body for the purpose of fund-raising and Zionist education. The Authority would be set up by agreement between the Government and the Fund, subject to the approval of the next Zionist Congress.

After Mr. Joseph Weitz had given additional particulars, the plan was discussed.

Israel Trade Delegation Invited to Turkey

An Israel trade delegation is to visit Turkey at the invitation of the Ankara Government for commercial talks which are to open there on February 7, it was learned yesterday.

The delegation, which will include representatives of the Treasury and of the Ministry of Commerce and Industry, will be headed by Mr. Moshe Bartur, Director of the Economic Division of the Foreign Ministry.

It is understood that the subject of the discussions will be the import and export quotas in the coming year and how the payments will be effected. Amendments to the present agreement, which terminates in March, are expected to be introduced by the Turks, who may wish to establish new quotas.

The extended credit swing of $4.8m. which Israel recently granted to Turkey has almost been used up.

Offices to Give Tax Advice Proposed

The establishment of special offices to give advice on taxes was proposed yesterday by the Economic Advisory Council which met in Jerusalem under the chairmanship of the Minister of Agriculture, Mr. Peretz Naphtali.

A sub-committee of the Council, which had studied the improvement of tax collection, presented its report yesterday.

The Council also recommended the unification of similar taxes, and the exemption of new agricultural settlements from income tax for a number of years. It suggested that self-employed persons be given the opportunity of paying their income tax monthly rather than quarterly.

Public Nurses Strike Postponed One Week

TEL AVIV, Monday. — The decision to hold a warning strike of nurses employed in State and Municipal medical institutions and those employed by private doctors was postponed for one week at the meeting of the secretariat of the Tel Aviv-Jaffa Labour Council today.

Mr. E. Shechter, the Secretary of the Labour Council, said he hoped that there would be no necessity for the strike although the protracted negotiations had so far been unsuccessful.

He added that almost four years ago Kupat Holim had accepted the conditions sought by the nurses. They ask for seven hours work in summer and six hour night shifts.

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Cables in Brief

ENVOY. — The French Foreign Ministry announced yesterday that M. Jean Fillet, Counsellor at the Embassy in Washington, has been appointed Ambassador to Saudi Arabia.

AFRO-ASIA. — The Indian Ambassador to Egypt, Mr. Ali Yavar Jung, called on Premier Abdul Nasser on Sunday to discuss the forthcoming Afro-Asian conference in Djakarta.

KILLED. — Three French-born Dominican nurses were killed and two other persons were injured on Sunday night when a freight train smashed into a station wagon at an intersection at Slidell, Louisiana.

SHIPPING. — The North Atlantic-Israel East-bound Freight Conference joined the long list of steamship lines that will raise their freight rates by 15 per cent, it was announced yesterday in New York.

ROYALTIES. — The Iraqi Government announced yesterday that it had received $7.2m. dinars in oil royalties last year. Royalties in 1953 were put at 49.3m. dinars.

Ma'bara Power Cut After Double Tragedy

NATANYA, Monday. — The local office of the Electric Corporation cut off power from Beit Lid ma'bara today, following the advice of a committee appointed to investigate the recent electrocution of two ma'bara children who touched an electric pylon. The committee reported that all wiring in the camp was dangerous, but it would cost IL.20,000 to renew the network which was installed during the Mandate.

About 200 camp residents demonstrated against the electricity cut at the office of Mr. D. Reznik, Natanya District Representative. Mr. Reznik informed them that he himself had approved this measure, but not until three hours later did the demonstrators leave, and then with police persuasion. Mr. Reznik promised to discuss with his superiors how to pay for renewing the power network.

The police have opened a file against the secretary and electrician of Beit Lid ma'bara, for allowing the use of the network although they knew it to be dangerous. The secretary contended that on several occasions he had asked the Electric Corporation to investigate the matter.

Hanita to Be Linked To Haifa-Nazareth Road

Hanita, on the northern border, will soon be linked to the Haifa-Nazareth road at Yagur, it was officially announced yesterday.

A large bridge is now being constructed over the Kara wadi, which is expected to be completed in two months. It will cost about IL.50,000.

The bridge will enable the building of a road between Matsuva and Kabrit, thus completing a 50-kilometre road from Yagur to Hanita which runs parallel with the main coastal highway.

A NUMBER of mosques in Moslem villages near Nazareth were recently repaired with help in funds and materials from the Ministry for Religious Affairs.

GERMAN SHIP DUE

TEL AVIV, Monday. — A German ship is to arrive in Israel shortly carrying German-made goods bought from Reparations funds, according to a Shilumim Company announcement today. The exact date of her arrival will be announced later.

This will be the first time that a ship flying the German flag has docked in an Israel port.

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Economic News from Abroad

Japan Out of the Red

● The unpopular deflationary policy of the last (Yoshida) government nevertheless succeeded in reversing Japan's unfavourable foreign trade balance. While in January, 1954, imports exceeded exports by $32m., in November there was already a positive balance of $40m. Japanese imports fell because the country drew upon previously accumulated stocks. At the same time, exports were boosted by a third. The retrenchment policy was mainly based on a cutback in government spending and on tight credit terms.

Netherlands Cuts Income Tax

● Boom conditions are experienced in most sections of Dutch industry as well as by the wholesale and retail trade. Domestic consumption continues to expand and export prospects are favourable, particularly in the metal and electrotechnical industries, where long delivery terms are stipulated. On account of the imminent labour shortage the Government has had to reduce its construction programme for 1955, despite the difficult housing situation. Inflationary tendencies are still negligible, however, and a drastic cut in personal income tax is expected this year.

Electronics for U.K. Industry

● The considerable increase of industrial investment in Britain envisaged for this and the following year will be accompanied by the far-reaching modernisation and mechanisation of the British industry. Sharp German and Japanese competition and the reports of the Anglo-American production teams have resulted in a large-scale effort to promote more efficient technical management. Such aids to production as fork lift trucks, pallets, conveyors and cranes now find much wider use in the engineering, chemical, brickmaking and food processing industries. There is also heavy demand for electronically operated conveyor systems.

Norway Refuses U.S. Coal

● The Norwegian Government has declined a U.S. Government offer to sell Norway surplus American coal for kroner instead of dollars, because it was made on condition that at least 50 per cent of the coal must be transported in American ships.

Argentina Again Confident

● Argentina is looking forward to an excellent harvest. The wheat crop is estimated at seven million tons at least, of which half would be for export. Similar gains are predicted in other grains and smaller ones in oil seeds. The prospective renewal of exports, coupled with the Government's more sympathetic attitude towards foreign investors, resulted in a veritable boom on the local stock exchange. However, U.S. companies are still hesitant and few tangible investments have resulted so far besides the motor vehicles plant planned by Kaiser. Negotiations are under way with several oil companies.

Cross-Cuba Canal

● A 99 years concession has been given by the Cuban Government to a U.S. financial group that will build an 87-kilometre waterway (longer than the Panama Canal) across the island, from Cardenas Bay to Cochina Bay. The canal is to be constructed at sea level and to allow the passage of deep-draft shipping. It will cost more than $150m., with railroads running along it, warehouses and terminal ports costing another $250m. The construction work is to become a major source of employment in Cuba. The canal is intended to shorten the sea routes of oil tankers going from Texas to South America and of the growing big-ship ore trade from Venezuela to the U.S. East Coast. It will also provide an easy access to the main area of the Cuban sugar and molasses production.

Norway Fights Inflation

● By the end of 1954, the deficit in Norway's foreign balance reached 1,000m. kroner ($140m.), out of which she was able to cover one-fourth by borrowing from the World Bank and from Swedish sources. The curtailment of government investments and a reduction of defence expenditure have been announced. The return to price controls is envisaged, as trade unions have warned that a general wage rise will be sought if the cost of living remains at its present high level.

Airline Traffic Up Again

● Figures released in Montreal by the International Civil Aviation Organization show that passenger and cargo traffic carried by international and domestic scheduled airline companies increased again during 1954 as they have done year after year since 1945. The airlines carried each of 57.8m. passengers an average distance of 891 kilometres. The statistics show that the rate of increase over 1953 was generally slightly smaller than the increase between 1953 and 1952.

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IN a coalition government composed of parties of varying outlook a rift over a question so vital as the size of the budget is almost unavoidable, and as a matter of fact, each year at this time, we see the same spectacle taking place and ending, as most certainly it will this time, too, in some kind of compromise.

THE BUDGET FRAMEWORK

It is therefore the more significant to point out that these disagreements are becoming less acute from year to year. This time the difference has been reduced to a mere 2.5 per cent of the total budget and even in the items directly concerned the proposed reductions make up only seven per cent of the income tax revenue and four per cent of the indirect taxes.

Welcome as these cuts in taxes (or the non-imposition of new ones) would be to the taxpayers and consumers immediately affected, it could hardly be argued that they are essential. Nor, as a matter of fact, could it be contended in earnest that they are impossible to achieve, with some saving, at the present level of State expenditure. But gone are the days when the tax burden in this country was considered crippling and when the targets set by the Treasury were claimed to be unattainable without upsetting economic life and causing widespread distress.

By careful fiscal planning and an overhaul of the tax-collecting machinery, it has been possible to increase the yield both of direct and of indirect taxes beyond the goals set for the current year without causing any serious dislocations, while on the other hand talk of large-scale retrenchments in government services and investments has ceased for the time being, and the General Zionist Ministers have proved to be no less expansive in their respective territories than their Mapai colleagues.

The Government Budget has thus acquired a general framework which can be only slowly modified in the years to come. Much more attention should, however, be paid to its details in the immediate future. The considerable addition to the number of income-tax payers, the reduction of tax arrears, rising tax morale and the increased yield of indirect taxes at last make it possible to effect long overdue income tax reforms. The present complicated computation methods should be simplified, concessions should be given to hardship cases, and the tax should be used as an incentive to personal savings, which are considerably discouraged by the current tax.

The size and distribution of subsidies should also come in for a reappraisal before long (even though an election atmosphere is not opportune to it), for the present system of diverting a part of the revenue from grants and donations to subsidising current consumption instead of accumulating a balance of domestic savings for productive investment cannot continue indefinitely.

The industrial activity of the Government, which occupies an important place in the Development Budget, both as a source of credits and as a direct operator, should also be reviewed in the light of past experience, which year after year has shown great divergence between estimates and results. Last but not least, government taxation and services should be fixed not separately but in conjunction with those of the other public bodies, municipal, national, trade union and charitable, partly financed by State funds but more or less autonomous, which are often of a competing nature.

New Farmers' Low Earnings Surveyed

By RUTH CALE

AMONG the 300-odd settlements established since 1948 are 51 which the Jewish Agency has transferred — or will shortly transfer — to the authority of the Ministry of Agriculture. This means that these communities have received their full investment allocations, and the time has come for them to prepare for repayment of these considera[ble] outlays. Some of them have already signed contracts with the Agency for reimbursement of the loans, at a low interest rate and over many years, and here will sign during the next few months.

Among these so-called "veteran new settlements" all established in 1948 and 1949, are 25 cooperative smallholder villages, populated mainly by people from East European countries and Turkey. They have mixed farms, i.e., they produced vegetables, dairy products and eggs.

To get at some sort of a picture of their economic situation, and to find out whether these communities are indeed in a position to shoulder considerable loan repayments which amount to a few hundred pounds a year, an agrarian economist recently selected what he called the "most successful elements" of 15 of these settlements and closely investigated their production costs, revenue, tax payments, debts, water consumption, living conditions and the like. His preliminary report was recently submitted to Dr. Ra'anan Weitz, acting chief of the Agency's Settlement Department, and was distributed by Dr. Weitz among the Department's staff.

Farming As Vocation

The villages ranged from the fertile Jordan Valley and Western Galilee to the Northern Negev, and the 31 smallholders selected seemed the most prosperous, sensible and industrious in their communities. They were ambitious and had chosen farming as a vocation and not for want of something better.

The economist reported that during 1953/4, only one of the 31 farmers had earned between IL.2,500 and IL.3,000 in cash. Some came out with a deficit, and 70 per cent (or 24 families) earned less than IL.1,500, i.e., IL.5 or less per work-day. He found that in one and the same village, earnings differed by as much as IL.3,000, although farmers had the same land under irrigation and had received the same instruction, livestock and equipment. These startling differences are traced back to individual initiative, the number of family members working on the farm, their health, etc.

The larger the irrigated area, the higher the net income. The large farmer who made over IL.2,500 during the year was one of two who had more than 30 irrigated dunams (the other earned a bit less), and among the 24 per cent of the total who owned from six to 14 irrigated dunams, only one (in a Jordan Valley settlement where vegetables grow out of season and fetch three or fourfold prices) netted between IL.2,500 and IL.3,000.

Cost of Cows

The obverse seems true of the numbers of cows a farmer owns. The man in the top income group owns one cow, and six farmers in the three bottom groups own three each. Only where a cow yields 4,000 litres of milk a year and costs are not exorbitant, does the value of the work-day reach between IL.6 and IL.7. Small differences in the controlled and subsidised sale price of the milk (ranging from 200 to 218 pruta a litre in the various parts of the country), or in the daily yield may turn possession of a cow from liability to asset, as is seen in the table at end of this article (values in pounds).

The average annual yield for Israel cows is between 2,000 and 3,200 litres, and the conclusion must thus be that the cow "eats up the farm" unless it yields well above average, and unless the farmer has enough land to grow his own fodder (seven dunams per cow).

In the year the survey was made, vegetables brought the main income, between 0.9 tons to 2.9 tons per dunam. Where average yield was a ton per dunam, the value of the work-day was up to IL.5, growing to over IL.7 where the yield was 2.3 tons, where crops included legumes and peanuts (which fetch higher prices), or where out-of-season crops were raised (as in the Jordan Valley settlement). Just under one-third of the farms surveyed were in the lowest category, and 38 per cent in the highest. Included in these calculations are the government subsidies for vegetables which, according to rough estimates, account for IL.1 to 1.500 per work-day.

Costs per dunam under vegetables vary only slightly, totalling between IL.72 and IL.82, while revenue was about IL.105 per ton. The wide differences in yield are traced back to the farmer's know-how and the instructors' guidance.

The former standard chicken run of 80 to 100 fowl has almost disappeared. Either farmers own about 20 chickens and use the eggs for home consumption, or they have between 100 and 300 chickens and sell most of the eggs on the free market, thus boosting the value of their work day to IL.10.

(A second article will deal with the Jewish farmers and Arab-villages, and with changes which the economist suggests to turn the "veterans" new Jewish settlements into paying enterprises.)

Income from Milk (per litre)	Annual Yield (in litres per cow)	Daily Expenses (per cow)	Value of Milker's Work Day (incl. home consumption)
0.360	4,200	0.321	8.100
	4,000	0.310	7.900
	3,800	0.302	3.900
	3,600	0.307	1.600
	3,370	0.275	0.350
0.318	4,350	0.300	9.000
	2,770	0.175	3.200
0.318	5,000	0.330	14.500

Rail Deficit Despite Expansion

By Our Economic Editor

THOUGH rail traffic, both passenger and freight, is increasing, the Railway's deficit is likely to be larger than originally envisaged, recently published official figures indicate.

During the first nine months of 1954, the number of passengers rose by 18.5 per cent and a further rise has no doubt taken place since the opening of Tel Aviv's new Arlosoroff Sreet station and the introduction of faster runs. As about 250,000 persons per month used the railway during the first half of the current financial year, the yearly total will certainly exceed three million, though it will scarcely reach the target of 3.85m.

Freight increased by 38 per cent; if January — September 1954 is compared with the corresponding period of 1953, and it seems likely that the target of 1.25m. tons set for the current financial year will even be exceeded.

However, the total rail revenue during the first eight months of the current budgetary period was only IL.3.8m. and it would have to jump by 80 per cent in the remaining months in order to reach the estimated yearly total of IL.4.8m. Expenditure, on the other hand, developed at a slightly higher rate than anticipated. It seems, therefore, that the railway deficit will be between IL.2.25m. and IL.2.50m. instead of the IL.2m. originally expected. It will thus equal over 50 per cent of the actual revenue.

Increase in Share

There is no doubt that this hidden subsidy is a major factor in the continuous increase of the railway's share in land transportation, (total freight and interurban passenger traffic fell by one-fifth between 1951 and 1953). No statistics have been published as yet for motor traffic in 1954, but it may be estimated that the Railway now account for approximately 20 per cent of the total freight traffic (as compared with 17 per cent in 1951) and seven per cent of the inter-urban passengers traffic (compared with three per cent). As in the same period interurban taxi traffic increased by over one-third, the railway has obviously made some inroads into bus traffic (recently, however, on the Haifa and Jerusalem routes taxis seem to have been affected too).

This is the more interesting, as considerable improvements have been made in bus transportation in recent years. Traffic density in particular has been reduced, for the number of passengers declined while total bus seating capacity rose from 67,000 in 1951 to almost 97,000 in 1953; the number of rides per seat dropped from 24 to 18 per working day. The average income of the bus cooperatives almost trebled at the same time (10.5 pruta per passenger-kilometre, compared with 3.8). A further improvement in bus facilities and a parallel rise in fares took place in 1954, with the resulting negative effect upon the use of buses by the riding public.

Bond Investments Yield $3m. Annually in Foreign Exchange

Jerusalem Post Reporter

THE Bedek aircraft maintenance base at Lydda Airport, the largest aircraft overhaul base between Paris and Hong Kong, repairs and overhauls engines and components for aircraft of El Al, the Israel Air Force, and Israel and foreign aviation organizations. At present the base employs 300 workers, and this number is expected to reach 1,000 eventually.

Of the total investment of $2.5m. and IL.2.8m., the sum of $1.25m. — or half of the foreign capital — was supplied from State of Israel Independence and Development Bonds.

Sephen, Ltd., near Ashdot Ya'acov, manufactures insulating and hard-board. Production is 45 million square feet a year, half of which is earmarked for export. It is partly owned by six kibbutzim, together with Ampal, and one-third of the raw materials comes from waste of the Kelet plywood factory in Afikim. One hundred and fifty workers are employed. Of the total investment of $2m. and IL.2m., the sum of $560,000 was supplied from Bonds.

The Israel Ceramic Works, (Kharsah) in Beersheba is to make 150,000 plumbing fixtures a year which, together with the output of its plant in Haifa, should cover two-thirds of the country's needs. It will also produce five million wall tiles annually, while further plans call for manufacturing bricks, rough tiles and other basic materials for ceramic industries. Two-thirds of the required raw materials will become available from local sources as the Negev mines develop, and foreign currency savings from the plumbing fixtures alone are expected to reach $1m. The Bond investment amounts to $430,000.

Investment in Pounds

Three examples. Dozens and dozens of others could be added to illustrate the productive use to which the Bond money is put in Israel.

Of course the money does not go directly from the Bond organization to Bedek (or Sephen or Kharsah). After the Bonds are sold for dollars, the counterpart in Israel pounds goes into the Development Budget, through which Bond funds are channeled to aid the development of agriculture, irrigation, and almost every important branch of industry.

Bonds have been the greatest single source of income in the Development Budgets of the last five years, considered as a unit, having supplied 19.9 per cent of the total. (The American Grants-in-Aid supplied 15.5 per cent, the Import-Export Bank loan, 14.8 per cent, and Reparations, 11.1 per cent.

More than that, Bonds are the only source of foreign currency over which the Treasury has absolute control once the money comes here. There are no strings attached to the Bond proceeds and the Government is responsible only to the Knesset — and, of course, morally, to the Bondholders.

Since the Bond Drive was launched in May 1951, $175m. worth of Bonds have been sold to about 700,000 people. In 1953, the sales figure (cash) was $36.8m., and indications are that the figure was exceeded in 1954.

Leaders in the Bond Drive take pride in two accomplishments once thought to be impossible of attainment.

The first achievement has been to make Jews cognizant of Israel as a field for investment, rather than for philanthropy alone. A Bond is not a gift, but an interest-bearing loan, and of course in addition to his 3.5 or four per cent interest, the Bond purchaser gets the satisfaction of knowing that he is investing in the economic development of the country.

The second achievement has been to get permission to offer dollar bonds and sell them in large amounts in countries like the U.S., Canada, Holland, Switzerland and Belgium, where other nations — larger, richer, and better established — could not.

Trade Medium

In Holland $1.1m. worth of Bonds have been sold in less than a year's operation, in Switzerland, $500,000. And one of the reasons these countries are willing to grant the State of Israel the right to sell dollar bonds is encouraging: they are interested in trade with Israel. The Dutch guilders paid for the Bonds sold in Holland, for example, are credited to Israel's foreign currency balance in Holland. Israel uses the funds for purchases of Dutch goods.

The bulk of the funds expended through the Development Budget are made in the form of loans, either through banks or by the Finance Ministry directly. These loans are subject to normal commercial conditions and carry interest.

From May 1951 to April 1954, Bond proceeds have financed loans of about $52m. for agriculture, $35m. for industry and electric power, $14m. for transport and communications, $17m. for housing and hotel construction.

The investments of Bond proceeds are made for the purpose of improving Israel's trade balance, either by earning foreign currency through increased exports or by saving foreign currency outlay through reduced imports.

Thus, the net yield of foreign exchange available by Sephen, Ltd., mentioned above, is estimated at $3m. a year. The Makhteshim Chemical Works at Beersheba, a new plant for the production of insecticides, fungicides, and herbicides, is expected eventually to save at least $1.25m. in foreign currency annually.

There is no doubt that the foreign currency earnings resulting from Bond investments will more than repay the face value of the Bonds as well as the interest.

TURKEY HEADS EXPORTS AGAIN

Exports loaded in Haifa Port during the week ending January 15 totalled 1,500 tons, both in quantity and variety of goods. Turkey heads the list with 4,000 tons, including 4,000 tons of cement. The balance includes 50 tons of electric refrigerators, 50 tons of electric appliances, 25 tons of plywood, 50 tons of motorcars, 25 tons of kerosene stoves, 24 tons of textiles, 20 tons of paints, 17 tons of citrus, 100 tons of postal items, 100 tons of white cement, plus tons of cosh products, etc.

Next in the list was Britain, which bought 50 tons of plywood, 25 tons of groundnuts, 21 tons of cucumbers, 15 tons of mucelle, 11 tons of tomatoes, and other goods in small quantities. Among the 16 buyer countries were also Southern Rhodesia (4 tons of motorcars), Switzerland (10 tons of groundnuts) and Greece (9 tons of bananas.)

In the s.s. Gunda last week, 440 tons of bread from oven were shipped to Holland. There they will be trans-shipped to Germany for the testing of their commercial value.

Public Interest Could Boost Stocks

By SHALOM P. DOBON

THE stabilisation of the national economy, with the successful battle against galloping inflation severely restricting cash for stock purchases on the one hand and affording possibilities to earn considerable interest from lending available cash on the other, provided the main reasons why the outlook on the Tel Aviv Stock Exchange was not too cheerful during the greater part of 1954. The recession that ruled with occasional recoveries ever since the high peaks of February brought the general price level, in certain instances, lower than that of 1953.

During the present year some securities were deleted from the stock exchange list and others were added. The very active Palestine Electric shares were suspended when Government took them over. It is not yet clear if and when the registration of these shares will be resumed because only a very small proportion of shareholders has not acceded to either of the Government proposals (in London, however, these shares are quoted from time to time). The same applies to Jerusalem Electric, which was recently taken over by Palestine Electric.

New Securities

The securities which were added to the list during 1954 were Gazit, Israel Investment Co. Ltd., Palestine Brewery Ltd., 4% Registered Sterling "A" Stock 1954/61 (emanating from the Palestine Electric Co. London Reg.), 4% Registered Israel Currency "B" Stock 1954/57 (emanating from Palestine Electric Co., Israel Reg.), Moller-Dee Textile Corp., Eilern's Investment Co. Ltd., P.E.C. Investment Corp. Ltd. Another security recently introduced to the unofficial dealing is 4% Milve Hova 1952, emanating from the compulsory 10% cash and credit balances deduction in July 1952. These bonds provide a very lively market.

One looks back on the 1954 stock market with mixed feelings. It is true that a considerable number of new issues have thus been absorbed. Another new development, which also tends to show adaptation to more normal economic circumstances, is the fact that from time to time in recent months the demand for several stocks and shares or bonds was based no longer on general speculative consideration, but rather on the good earnings and profit distribution of particular companies. This is the welcome sign of a recovering economy and provides a sound basis for our stocks.

Intrinsic Values Higher

But the stock market has not yet found its way to wider ranks of shareholders, else the price level would not be so low as it is today, for the intrinsic value of many of the securities is much higher. Moreover, the expectations that monies coming from German reparations (representing many millions of Israel Pounds during 1954) from the redemption against cash of the bulk of Palestine Electric Israel Reg., and from the continuing redemption of 3½% Shitrei Erech through tax payment, would flow into the market have not materialized. The cash derived from these sources has probably found other perhaps more attractive investments.

Only severe lack of ready cash can justify the present low price of Milve Hova, Ata, I.L.D.C. (formerly P.L.D.C.), Africa-Palestine Investment, Kurdaneh, Rasco, Nesher or Tavel Dollar, or almost any other security with substantial value or a foreign exchange link. It appears, further, that capital appreciation in reasonable limits and reasonable earnings are not attractive enough for present-day investors. Finally, provident funds and similar institutions seem to be marking time and looking for other means of investment than the Tel Aviv stock market, and do not come to it in such volume as hey used to a year or two ago.

Future Possibilities

There is no doubt that despite present circumstances something could be done to make investment in stocks and shares in the Tel Aviv market more popular. It should include:

- A wider list of ordinary shares of leading individual undertakings, which still seem to prefer financing from other sources than the stock market, and appear successful in receiving it. The present "basket" of ordinary shares is very limited, as many leading enterprises in the country are conspicuously missing from the market list.
- Proper state treatment of Government securities, and intervention in the market when necessary. This can be hoped for with the establishment of the Bank of Israel (as a welcome sign in this respect, we may recall the belated but still finally settled problem of the IL.1,000 rate of exchange for the Tavel Dollar coupon due on December 15, 1953).
- More information, to be brought home to wider circles of the population, about the possibilities of the Tel Aviv market. Although some progress can be recorded, such as regular radio and newspaper reports about stock market development, additional ways should be found, such as explanatory leaflets, pamphlets and other advertising.

At a time when money is scarce in the country and important agricultural and industrial undertakings must beg for Government loans both for investment and turnover capital, the Tel Aviv stock exchange could play an important role in furthering the economic development of the country on a sound financial basis, and at the same time offer to investors reasonable income from other savings.

The following list of highest and lowest quotations for some securities gives a picture of the stock market developments in recent years.

TEL AVIV STOCK EXCHANGE

	31.12 1951	1952 L	1952 H	31.12 1952	1953 L	1953 H	31.12 1953	1954 L	1954 H	31.12 1954
Tavel Dollar	.3/4	.345	.370	.370	.683	1.370	1.355	1.370	1.400	1.370
P.L.D.C. Ord. Reg.	227	162½	253	187	158½	183½	161¾	136½	181	149½
Pal. Potash Profs.	139	125½	157½	151½	151½	351	351	340	400	350
Pal. Potash Ord.	122½	90	131½	105½	82	135	119½	158	218	155
Pal. Electr. London	180	142½	246¼	148½	135½	433	423	423	651	—
Pal. Electr. Israel	180½	140½	227½	158½	143	370	365	367	521	—
Ata Ord. "B"	140½	127	200	135	124½	177	155½	137½	164½	149½
Nesher "B"	—	—	—	—	100	139½	139½	128	176	137

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Stocks and Commodities

Tel Aviv Generally Quiet

THE week was rather quiet, and there were no important changes with the exception of Bank Leumi Shares, which advanced by 40 points, thus becoming the week's most prominent feature, probably on expectations of a rather high dividend for the closing business year. Interest in Palestine Potash shares, which had advanced considerably during the past two-and-a-half weeks, slackened to the point of the stock losing 2-4 points.

On January 26 the coupons of Palestine Portland Cement, Nesher, due February, were quoted for the first time at 142%. As noted before, these coupons entitle their holders to the purchase of cement at the price of IL.28.- per ton, not including excise, transport and sacks. State Loans were dull, with Tavel Dollar losing two prutot during the week.

New York Makes Quick Recovery

WALL Street closed heavy on Saturday, with steels and some utilities moving forward against the general trend. Although some irregularity is still apparent, the market has recovered fairly quickly from the small slump of January 5 and 6 that followed the raising of the cash margin to 60% and the Senate Currency and Banking Committee's announcement of a probe into the reasons for the recent boom. Dow-Jones Averages are still very slightly below their peak at the beginning of the year: 30 Industrials 396.54, 20 Rails 142.02. On the whole, the optimistic undertone prevails, backed by continuously good business news.

London Continues Cheerful Tone

AN active week on the London Stock Exchange moved towards its close on a cheerful tone, Reuters Daily Index for Industrials was 229.6 as against 225.8 the Friday before. Industrials especially moved ahead and there were firm spots in Stores and Oils. Motors and Paper Shares were strong, and there was a rally in Kaffirs and some good gains in Rhodesian Copper. The market situation in London was summed up by the "Economist" in the words "profits ahead".

Paris Gold Steady

On the Paris gold market the trend continued steady, except for the decline in Mexican pesos and the Ingot. Turnover features: 600 Ingots, 500 Pesos, 12,000 Napoleons, 8,000 Sovereigns and 40,000 Eagles.

Metals Easier

On the London Metal Exchange, there was a general easing of prices, affecting Copper, Lead, Zinc and Tin. On the other hand there was marked steadiness in Cocoa, Grain and Tea, while Rubber was slightly below its level at the close of the preceding week.

By arrangement with the I.L. Feuchtwanger Bank Limited

Tel Aviv Stock Market

JAN. 17	Rise or Fall
Pop. Loans 1949 / (IL.10)a)	1021 +1
3½% Tavel Dollar x)y)	1295 —
3½% Tavel Dollar x)z)	1295 —
3½% Govt. Bds. (large)	97½ —
4% Reg. Sterling "A"	93½ —½
4% Reg. Sterling "B" a)	94½ —½
Pal. Bearer Bds. Ser. 3	75 +½
Bk. Leumi ord. sh.	286 +1
A.P.E. Investm. 6% debs. 50/70 a)	97½ —
ord. sh. "B"	1177 —
Gazit ord. sh. "B"	1068 —
Ellern's Inv. ord. "B"	154 +2
P.E.C.Inv.ord. "B"sh.c)	102½ —
Gen. Mortg. Bk. ord. sh.	81½ —
Hirsr 4% debs. 54/65 c)	97 —
Nir 4% Debs. (bear.) a)	85 —
5% pref. sh. c)	70½ —
Paes 6% debs. 60/64 reg	85½ —
"Isra" 5% debs.	83½ —
I.L.D.C. ord. sh. reg.	136½ —1
5% debs. c)	85½ —
Afr. Pal. Inv. ord. sh.	103½ —
Rassco 6% pref. ord sh.	90½ —1
Pal. Potash 5% pref. sh.	396 +3
"A" ord. shares	180 +3
Pal. Elec. ord. sh. (Isr.	— —
Pal. Elec. ord. sh. (Ldn	— —
Jer. Elec. Corp. ord. sh.	— —
Mekoroth pref. sh. b)	99½ —
Ata ord. "B" sh.	137½ +1
6-8% conv. debs. c)	95½ —
"Kurdaneh" ord. "B" sh.	145½ —
7% conv. debs. 59/64 c)	104½ —½
Moller-Dee ord.sh.reg x	260 +25
Pal.-Brewery 8%con.sh.c)	96½ +1
Assia Belgium "B" sh.c	134 —
"Teva" ord. sh. c)	107½ —
Nesher 6% debs. "A" c)	109 —3
6% debs. "B"	135½ —1½
Pal.Cold.St.7%debs.c)	147 —
ord. sh reg. c)d)	321 —
Pal.Centr.Tr.8% debs. a)	96½ —

Notes: a) purchasing price; b) selling price; c) ex-coupons; d) ex-right; e) half div.; x) prutot; y) coupons Dec. 15, 1954; z) coupons June 15, 1955.

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